



Daily Report

China

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Daily Report

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2 May 1991

NOTICE TO READERS: On 6 May 1991, the DAILY REPORT will begin phasing in new radio and television sourcelines that reflect how a station identifies itself. This change eliminates the "Domestic Service" and "Television Service" designations in favor of the station identification as broadcast. The presence of a new sourceline reflects this change in policy, rather than the establishment of a new station or network.

NOTICE TO READERS: An * indicates material not previously disseminated in electronic form.

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General

UN Delegate Advocates Regional Disarmament

OW0105214891 Beijing XINHUA in English
2141 GMT 1 May 91

[Text] United Nations, May 1 (XINHUA)—A Chinese delegate said here today that appropriate regional disarmament is conducive to the relaxation of regional tension and to regional peace, security, cooperation, and development.

Explaining the five-part document which China has submitted to the disarmament commission which is considering the regional disarmament, Hou Zhitong, Chinese ambassador for disarmament affairs, said that regional disarmament activities participated by states when specific conditions permit and require will have a positive bearing on other regions as well as global efforts for peace, security and disarmament.

He pointed out that states within the region should make efforts to promote regional disarmament in the following aspects: Respecting the right of states to choose their own political, economic and social systems; respecting each other's sovereignty; seeking peaceful settlement of disputes; not seeking an armament exceeding defence requirements; and participation by all states in settlement of matters in their own region.

As to extraregional states, particularly states possessing the largest arsenals, the ambassador said that they should render active cooperation and support to regional disarmament efforts.

In the fourth part of the document, Hou told the commission, China proposed that the reality that security environment, armament levels, historical background and cultural traditions that are different from region to region should be recognized.

Moreover, he said, full consideration should be given to the following principles: Regions with serious military concentration and high armaments should take the lead in arms reductions; agreement should be reached and measures on disarmament be adopted acceptable to all states in the region; agreement on regional disarmament should not jeopardize security interests of other regions; and extraregional states should respect all regional disarmament agreements.

According to the ambassador, the fifth part of the document proposed some concrete measures and steps for regional disarmament.

In conclusion, the ambassador hoped that China's document would be helpful to the promotion of regional disarmament.

Commentary Examines Baker's Mideast Trip

HK0105122891 Beijing RENMIN RIBAO in Chinese
30 Apr 91 p 6

["Commentary" by staff reporter Lin Jiaoming (2651 4109 2494): "Progress Limited, Breakthrough Yet To Be Made: Baker's Third Trip to Middle East"]

[Text] Cairo, 27 Apr (RENMIN RIBAO)—On 18 April, U.S. Secretary of State Baker began his third round of Middle East shuttle visits in the past six weeks. He first went to Luxembourg, Israel, Egypt, Jordan, Saudi Arabia, Kuwait, and Syria, and then suddenly went north to the Soviet Union and returned back to Israel, holding intensive talks with various quarters concerned with the preparations for the Middle East peace conference. For private reasons, he discontinued his visit yesterday and returned to the United States.

Baker's first Middle East trip may have been aimed at fathoming out the "initial results of the Middle East security" that the United States was anxious to win. His second trip may have been aimed at "ironing out the differences" between various quarters involved in the disputes. Then, his third trip to the Middle East aimed at getting the explicit replies from the Middle East nations and the quarters concerned.

Before Baker rushed back to the United States, he said that his Middle East mission had made "certain progress," but differences and difficulties still existed. According to external commentaries, what had been achieved by Baker's last trip was still far away from the actual success of convening a Middle East peace conference.

Baker's separate talks with the leaders of Israel and Syria were regarded as the crucial link in his chain of visits. Israel, which reached a "principled agreement" with the United States on holding a regional peace conference, however, presented the greatest headache for Baker. At the first meeting, Shamir held fast to his original position, and Baker could only stay there and demand Israel's explicit reply to several questions. On 26 April, Baker held another meeting with Israeli Foreign Minister Levi, and listened to Israel's response to the U.S. scheme. It was said that "progress" was made at the meeting.

Baker kept his mouth shut throughout the trip. According to what was revealed, the United States and Israel reached agreement on certain points. Israel agreed that the Soviet Union and the United States would jointly chair the Middle East peace conference after the Soviet Union resumes diplomatic relations with Israel; Israel also agreed that the European Community could join the peace conference, but details had yet to be discussed; Israel also agreed that Palestinian representatives from the occupied areas and Jordan could form a joint delegation to the conference; the peace conference will meet every six months, and will have no power to impose its resolution on any participating side; and the

conference will also discuss water sources, economic, energy, and arms control issues.

Israel did not positively respond to the principle of "exchanging land for peace" raised by the United States, however. Reportedly, Israel was still opposed to the UN role in the regional peace conference, and opposed the participation of Palestinian representatives from East Jerusalem in the delegation. Shamir also asserted that "the establishment of Jewish settlements" in the occupied territories "has no relation to the Middle East process." So far, there is still no answer to these important questions, or the answers are not acceptable to the United States. It seemed that Baker had to be very prudent and refrain from making excessive comments. Obviously, this could leave more maneuvering room for the United States.

In fact, even if the United States and Israel reached a deal, it might not necessarily be acceptable to the Arab nations. The Baker-Syrian President Asad talks lasted as long as 10 hours. Progress was made and differences also existed in the talks. Syria did not care too much about the conference's name, but it insisted that "the United Nations play a role" at the conference and that the principle of "exchanging land for peace" be put into practice on the basis of UN Security Council Resolutions 242 and 338.

The Palestinian people and the Arab nations have constantly maintained that the Middle East peace conference must result in Israel's withdrawal from the Arab territories it has occupied since 1967, thus terminating the Arab-Israeli disputes and realizing peace in the Middle East. If the peace conference cannot ensure that the Arab nations will recover the occupied territories and if the resolutions adopted by the conference cannot be executed with certain international guarantees, who will believe that such a conference would be useful? Concretely speaking, if the United States did not exert adequate pressure on Israel and force it to return the Golan Heights to Syria, "progress" on other issues may not easily win Syria's support. Some Western commentators thus pointed out that "there was no sign that Baker had made any breakthrough."

At present, only Egypt and Jordan have rather explicitly expressed their inclination of conditionally attending the Middle East peace conference. The Soviet Union is willing to jointly preside over the conference with the United States, which is described as the removal of an obstacle. The resumption of diplomatic relations between the Soviet Union and Israel is now taken by Israel as a precondition for its "effective participation in the negotiations." The PLO refuses to attend the Middle East peace conference under the present conditions, and demands that the UN secretary general or his representative play a mediating role in the regional peace talks and that the conference be supported with international guarantees. During Baker's visit to the Middle East, French Foreign Minister Dumas met with PLO Chairman Arafat. This was another political signal,

which indicated that it would not be easy for one country to dominate the Middle East peace process.

Reportedly, Baker will return to the Middle East as soon as he finishes his private business, and will continue to fulfill his mission by striking while the iron is hot. However, not much time will be left to him. Next year is an election year in the United States as well as Israel. The Western press has called Shamir "an artist in playing for time." He may play to hold up Baker's mission until next year and make it end up with nothing definite.

LIAOWANG Considers U.S.-Japanese Ties

HK0205030191 Beijing LIAOWANG in Chinese
No 15, 15 Apr 91 pp 46-47

["Special dispatch" from Washington by contributing correspondent Wei Guoqiang (7614 0948 1730): "U.S.-Japanese Relations as Seen From Bush-Kaifu Meeting"]

[Text] On 4 April, U.S. President Bush and Japanese Prime Minister Kaifu held a three-hour talk in a California town, Newport Beach. They did not reach agreement on any concrete issues, but just emphasized the importance of mutual trust for the strengthening of U.S.-Japanese relations.

This summit meeting was held according to the proposal of the Japanese prime minister. The reason was in the previous months, the U.S. side made a lot of criticisms against Japan, and relations between the two countries became tense. Kaifu wanted to resume more cordial relations between the two sides.

After the Gulf crisis broke out last August, the United States demanded that Japan dispatch troops or logistics personnel to join the anti-Iraqi military alliance, and the Japanese Government also planned to do so. After this was made known to the public, not only were the Japanese people opposed to the government's plan to send troops to the Gulf, but some Asian nations also voiced their opposition. Under these circumstances, the Japanese Government could only turn down the U.S. request on the grounds that Japan's Constitution did not allow the dispatch of troops to overseas areas. The Japanese Government decided to provide a total amount of \$11 billion for covering the expenses of the U.S. military action in the Gulf. By the end of the war, Japan had honored about one-third of the amount it promised to pay. Under the pressure of the United States, last month, Japan agreed to honor all the amount it had promised to pay. At the same time, it pointed out that as the exchange rate of the U.S. dollar against the Japanese yen had appreciated, Japan's payment should be reduced by \$400 million. The U.S. Government insisted that Japan make up the difference of \$400 million, however.

Japan's move caused discontentment in the United States. The Americans criticized Japan for not making as much contribution as it could to the coalition force in the Gulf conflicts and just benefiting from the victory won by the coalition force. President Bush originally planned

to visit Japan early this year, but the trip was cancelled on grounds of the war in the Gulf. The trip to Japan was not mentioned any more after the end of the war. When the allied nations were discussing the postwar arrangements in the Middle East, no senior officials were sent to Japan, and no Japanese leaders were invited to the United States.

The U.S. attitude toward Japan also caused resentment among the Japanese public. Reportedly, many Japanese people held that the United States was impervious to reason by forcing Japan to send troops abroad without regard for Japan's national conditions, and the United States added economic burdens to Japan by forcing Japan to bear the U.S. military expenses. The Japanese businessmen and entrepreneurs found that they might lose many investment opportunities in Kuwait's reconstruction. Therefore, many Japanese people complained that it was not good to spend money only to curry favor with the Americans.

The discord between Japan and the United States on the trade issue was more obvious and profound. In recent years, trade conflicts between the two countries have continued. This was caused by the unceasing increase in the trade deficit incurred by the United States against Japan since the mid-1980's. The highest annual trade deficit even exceeded \$50 billion.

When Bush and Kaifu met in California last spring, they reached an agreement on the scheme for removing the structural hurdles in bilateral trade in order to pave the way for the adoption of some fundamental measures for diminishing the serious trade imbalance between the two countries. Last year, although the trade deficit incurred by the United States against Japan decreased to \$41.1 billion from \$49 billion in 1989, the United States still strongly demanded that Japan further open its market to American products and held that the decrease in the trade deficit mainly resulted from the United States reducing imports from Japan. The United States also held that because Japan sided with West Europe in the Uruguay Round of the world trade talks, the U.S. proposal on reducing trade subsidies for agricultural products by a big margin could not be adopted. So, the United States demanded that Japan make concessions on this issue. This March, the Japanese authorities confiscated the rice samples exhibited by American companies at a world trade fair in Tokyo on the grounds that rice could not be imported in private. This deepened the Americans' resentments against Japan, and some American people even called for toughly retaliating against Japan.

According to a recent opinion poll in the United States, 73 percent of American people thought that Japan did not do what it should do in the Gulf war; 72 percent of American people held that Japan's threats against the United States exceeded those from the Soviet Union; and 68 percent of American people regarded Japan's trade with the United States as unfair. This state of affairs certainly worried leaders of both countries, and

particularly the Japanese leader. Therefore, as soon as Kaifu proposed a meeting with Bush, the U.S. side immediately agreed.

Although the meeting was needed by both sides, the settlement of the abovementioned problems was still constrained by certain factors, and no concrete agreement was reached. For Kaifu's part, the issue of trade in rice and other agricultural products was not only an economic issue but also an issue concerning his own political career and the political future of the Liberal Democratic Party, because farmers in Japan accounted for a substantial proportion of the constituents, and general elections will be held in Japan this year. If Kaifu made concessions to the United States by opening the rice market, this would certainly cause discontentment among the Japanese farmers, and the consequences would be serious. Therefore, after the meeting, Kaifu told the press that he explained Japan's policy to President Bush and required the United States to "join hands with Japan in settling" the trade disputes over agricultural products, thus completing the Uruguay Round of trade talks at an earlier date.

Kaifu did not make concessions on the issue of making up the war donation difference, and merely gave a principled indication that Japan would play a greater role in the Middle East's postwar reconstruction. Kaifu also refuted some American people's criticisms against Japan. He said: "The efforts made by Japan have not been appropriately understood and appreciated," and this state of affairs "made the Japanese people feel disappointed." "We must change this situation."

After the meeting, Bush required that Japan "continue to make advances" in the trading fields of construction service, cars and spare parts for cars, and semiconductors. He also indicated that the United States would continue to oppose various protectionist measures. At the same time, Bush hoped that Japan would make contributions to reconstruction in the Gulf and would play a role in the establishment of the "new world order." He called Japan "one of the most important allies of the United States."

In saying this, Bush obviously proceeded from the considerations related to the global strategic interests of the United States. The United States actively promoted the establishment of the "new world order," but its financial capacity was not sufficient. It needed Japan's support. The United States also needed Japan's role in the Asian-Pacific region in order to reduce the United States' burdens. Although the United States incurred heavy trade deficits against Japan, a substantial amount of U.S. Government bonds was bought by Japanese investors, and a substantial part of electronics spare parts and products made in the United States and even a considerable part of American agricultural products were sold to Japan. If the United States pressured Japan too hard on the trade issues, the consequences would be self-evident. Therefore, both sides had to restrain themselves from pressuring each other too hard when discussing the

contradictions. They told each other of their own difficulties, hoping to acquire the other side's understanding so that appropriate measures would be adopted to mitigate the domestic opinion pressure, to close the rift, and to further develop bilateral relations. This was the characteristic of the U.S.-Japanese summit meeting.

Japan is an important ally of the United States in the Asian-Pacific region, and Japan's strategic status in the eyes of the United States has become more and more weighty. For the part of Japan, the United States provides it with a military protection umbrella and the largest overseas market. For their own economic interests, the two countries may bicker more frequently and fiercely on the trade issue. At the present stage, however, such bickering will be restrained to the extent that does not affect their political and military relations. As Huo-erbuluke [7202 1422 1580 7627 0344], former U.S. assistant secretary of state for Asian-Pacific affairs, recently pointed out, "U.S.-Japanese relations remain something like the marriage of a dispute-ridden couple, for whom divorce is still something unimaginable although there is constant bickering."

Japanese Prime Minister's Asian Tour Continues

Meets Cambodian Resistance

OW0105165291 Beijing XINHUA in English
1546 GMT 1 May 91

[Text] Bangkok, May 1 (XINHUA)—Visiting Japanese Prime Minister Toshiki Kaifu met here this afternoon leaders of the National Government of Cambodia (NGC) and discussed with them the political settlement of the Cambodian conflict.

Talking to reporters after their meeting, Kaifu's spokesman Sadaaki Numata said during their meeting, Kaifu strongly expressed his hope that all the Cambodian parties implement the temporary ceasefire in Cambodia.

NGC Prime Minister Son Sann, its Vice President Khieu Samphan and Prince Norodom Ranariddh, personal representative of Samdech Norodom Sihanouk, were present at the meeting.

Kaifu appealed to the NGC and the Phnom Penh regime to continue to work hard for peace in the spirit of mutual concessions, Numata said.

Kaifu also asked for the understanding and cooperation on the part of the NGC for the efforts for peace that Japan has engaged in helping solve the Cambodian conflict, he said.

Kaifu said that Japan, as an Asian nation, strongly desires that peace be returned to Cambodia soon, Numata said.

On behalf of the NGC, Prime Minister Son Sann told Kaifu that the NGC emphasized the importance of the Phnom Penh side accepting the existing peace plan, that

is the framework document of the five permanent members of the U.N. Security Council, Numata said.

Son Sann also expressed his appreciation to Japan for its support to the NGC in every form, Numata said.

Khieu told Kaifu that Japan must try its best to persuade Vietnam and the Phnom Penh regime to accept the perm-five document on Cambodia, Numata said.

"The national reconciliation in Cambodia can only be realized with the total withdrawal of Vietnamese troops from Cambodia," Khieu said.

Kaifu told the three leaders that Japan supports the perm-five document on Cambodia, what Japan wants to do is to help put all Cambodian parties together to implement the perm-five document, Numata said.

Kaifu arrived here on Tuesday from Brunei for a three-day visit to Thailand. He will leave here tomorrow for Singapore to continue his five-nation tour of the ASEAN (Association of the Southeast Asian Nations) countries.

Leaves Thailand for Singapore

OW0205043891 Beijing XINHUA in English
0326 GMT 2 May 91

[Text] Bangkok, May 2 (XINHUA)—Japanese Prime Minister Toshiki Kaifu left here this morning for Singapore after winding up his three-day official visit to Thailand.

He was seen off at Bangkok military airport by Thai Prime Minister Anan Panyarachun and other high-ranking government and military officials.

During his stay in Bangkok, Kaifu held talks with Anan on Tuesday on bilateral relations and the peace process of the political settlement of the Cambodian issue.

Kaifu also met here with leaders of the three factions of the Cambodian resistance Son Sann, Khieu Samphan and Prince Norodom Ranariddh on Wednesday and sought out their views on the solution of the Cambodian problem.

Kaifu told them that Japan supports the United Nations' peace plan on Cambodia and urged all Cambodian parties to work hard for peace in a spirit of concession.

Thailand was the third leg of Kaifu's five-nation tour of the ASEAN (Association of South East Asian Nations) countries. He had already visited Malaysia and Brunei before coming to Thailand.

Japanese Minesweepers To Stop at Subic Base

OW0205062991 Beijing XINHUA in English
0554 GMT 2 May 91

[Text] Manila, May 2 (XINHUA)—The four Japanese minesweepers are scheduled to arrive Saturday morning

at Subic Naval Base in the Philippines, about 80 kilometers northwest of Manila, for refueling and re-supplying of fresh water and food on their way to the Gulf, an official of the Japanese Embassy here said this morning.

The minesweepers will leave Saturday afternoon, said Nobuyasu Abe, minister of the Japanese Embassy in Makati, Metro Manila, at a news briefing in Malacanang (the presidential palace).

He said that the Japanese side had asked the Philippine Government for permission (to allow the minesweepers) to call at Subic.

Before sending the minesweepers to the Gulf, Japan consulted its "close Asian neighbors, if not all the Asian countries," Abe said, adding that the close neighbors are the ASEAN (Association of Southeast Asian Nations) countries.

When asked whether there is a special arrangement for the arrival of the minesweepers and that of Japanese Prime Minister Toshiki Kaifu on the same day, Abe said, "that is a coincidence."

PRC Aid for Iraqi Refugees Arrives in Turkey

OW0205083091 Beijing XINHUA in English
0740 GMT 2 May 91

[Text] Diyarbakir, Turkey, May 1 (XINHUA)—A Chinese Boeing 707 cargo plane fully loaded with emergency assistance for Iraqi refugees arrived this evening at a military airport in Diyarbakir, eastern Turkey.

The 20 tons of relief goods provided by the Chinese Government to Iraqi refugees in Turkey included 3,000 blankets, 150 tents as well as clothes and various medicines.

The Chinese Government made the offer 60 tons of emergency materials to the Iraqi refugees in Iran and an additional 20 tons of goods to the refugees in Turkey on April 26 and 28 respectively.

United States & Canada

Editorial Examines Issue of MFN Status

HK0205095691 Hong Kong WEN WEI PO in Chinese
2 May 91 p 2

[Editorial: "Obstacles to Most-Favored-Nation Status Should Be Removed"]

[Text] On the 29th of last month, U.S. President Bush declared in Washington that he was still not clear about what the U.S. Government would do regarding the issue of extending China's most-favored-nation [MFN] status. He also said that the United States must have dealings with a great nation such as China, that this conformed with the interests of the United States, and that it was extremely important to maintain trade relations with China.

People in American trade circles also maintained that "not knowing what to do" was merely a matter of procedure and that Bush had to see what the result of a Congress vote would be before he could react. As Administration head, Bush surely hopes to maintain trade relations with China. He sent Robert Michael Kimmitt, undersecretary for political affairs, to visit China and this was a positive action.

The extension of MFN status is one of the important foundation stones for upholding Sino-U.S. trade relations. MFN status is not a bounty bestowed by one side on the other but a reciprocal action of egalitarianism, mutual benefit, and strengthening trade contacts. When the United States accords China MFN status, the United States also enjoys MFN status accorded by China. Should the United States abolish China's MFN status the inevitable outcome would be that American goods exported to China would face high duties and sales would shrink. Such retrogressive action harms both others and oneself and it is believed that the Bush Administration will make a wise choice.

For narrow and limited interests, some U.S. Congressmen have always advocated pursuing protectionism, frequently criticized their trade partners for "dumping," or said that the "quota" and "suspension" systems were to be implemented. Hong Kong businessmen have had experience of this for many years. Under the climate that the U.S. Government engages in "human rights diplomacy" in a big way, it is not strange that some congressmen connect Sino-U.S. bilateral trade with politics and take the opportunity to pursue protectionism. They have erected the following obstacles to the extension of MFN status: 1) China's human rights are poor; 2) The U.S.-China trade deficit is \$11 billion; and 3) China sells weapons and nuclear devices, using these as conditions for blackmail.

For the past 10 years or more since China carried out reform and opening up, people have enjoyed freedom of speech and peace of mind. It is much better than in any period in the past. Only under the circumstances of stability can China carry out reform and opening up, develop its economy, and improve the people's living standards. China's stability is favorable to the human rights of the Chinese people and to the economic prosperity of the Asian-Pacific region. This is also a viewpoint with which international statesmen agree. Japanese Prime Minister Toshiki Kaifu and Sultan Bolkiah of Brunei maintain that China's stability is extremely favorable to Asia's stability and that the international community should encourage China to devote itself to reform and opening up.

In accordance with the law, China recently tried some people who had genuinely contravened the criminal law and sabotaged China's public security and social order. This is an action any country which devotes itself to upholding stability and law and order would take. Although the U.S. Constitution provides for the freedom to strike, did the Bush Administration not hold that the

U.S. railroad workers' general strike impaired the U.S. economy and immediately signed a decree to ban it and to prosecute the offenders? Does not the United States have a record in modern times of trying those who sabotage public security and endanger state safety regulations according to the law? Is not McCarthy's bill retained? Since this is so, what reason or right has the United States to talk about China arbitrarily? The United States uses the so-called "human rights issue" to interfere in China's affairs and this both violates the requirements of international law and harms bilateral relations.

As regards the trade deficit issue, due to different methods of calculation, China and the United States each stick to their versions and this question can be completely solved after examination, verification, and consultations by the administrative departments. The prices of ordinary American consumer goods are high and they are unsuitable for the Chinese market. The prices of American high-science and high-technology products are higher but, as slightly more of these products are sold, the question can be solved. If the United States really wants to improve its exports to China, the U.S. side should relax restrictions on exports of high science and high technology to China. This element is controlled by the U.S. side and responsibility does not lie with the Chinese side.

Regarding the so-called issue of China selling weapons and nuclear devices, it is just that "when one is out to condemn another, one can always trump up a charge." China's Ministry of Foreign Affairs has already cleared up the rumor that "China sells equipment that can make nuclear weapons" and the United States need not quibble over this issue. China is open and above board and states that it can accept the International Atomic Energy Agency's supervision, inspection, and verification. "True gold fears no fire."

Robert Michael Kimmitt, U.S. under secretary for political affairs, will visit China. It is believed that he will exchange views on these three issues with China. We hope that the United States will view the questions in a strategic light by vigorously maintaining and developing Sino-U.S. relations, listen to China's views carefully, take the overall situation into consideration, have eyes on the future, and make efforts to remove the obstacles erected by some people to the extension of MFN status.

TA KUNG PAO Studies Sino-U.S. Trade

*HK0205021291 Hong Kong TA KUNG PAO in Chinese
2 May 91 p 12*

[Report: "Wang Pingqing Believes the United States Will Prudently Consider Preferential Treatment Issue"]

[Text] Yesterday Wang Pingqing, deputy director of the Hong Kong Branch of XINHUA, said that he believed the United States will take account of its economic and trade interests with China and prudently consider China's preferential treatment status.

Wang Pingqing said: The United States pointed out that it registered a trade deficit of more than \$10 billion in its trade with China this year. Its calculation method for this trade deficit is different from China's. The United States calculates on the basis of commodities' origins, which means that Chinese-made commodities re-exported to the United States via different countries are also regarded as part of China's exports to the United States, whereas China calculates according to trade contracts signed between the two countries.

He pointed out: China frequently sends purchasing teams to the United States, hoping to get commodities. But the United States imposes "sanctions" and embargoes against China, particularly with regard to hi-tech products, thereby adding to the difficulties in U.S. commodity exports to China.

Wang Pingqing made these remarks to reporters at a cocktail party sponsored by the Federation of Trade Unions in celebration of "1 May" International Labor Day.

Bush Expects Recession To End Soon

*OW0205010591 Beijing XINHUA in English
0004 GMT 2 May 91*

[Text] Washington, May 1 (XINHUA)—President Bush said today the United States will come out of a recession soon, particularly with the latest drop in interest rates.

Addressing the convention of the Society of American Business Editors and Writers, Bush said, "I think dropping interest rates is the best way to stimulate economic growth and to create new jobs and new opportunity."

The Federal Reserve yesterday cut two key interest rates to boost the recessionary U.S. economy. The half-point cut to 5.5 percent in the discount rate, the rate the Fed charges on loans to commercial banks, put the rate at its lowest level since 1977. The Fed also pushed the federal funds rate, the rate banks charge each other on overnight loans, down to 5.75 percent from six percent.

Asked when the recession will end, Bush declined to give a definitive date, saying: "I believe... that the recession will not be a long and deep recession."

The Bush Administration and some private economists insist that the recession will end in the current quarter and economic revival will begin in the second half of this year.

Some economists argue that despite the Fed's latest move to push down interest rates, however, the U.S. economy will not rebound until the fourth quarter of this year or perhaps early 1992.

"The notion of a mid-year upturn more and more looks like a pipe dream," said Allen Sinai, chief economist of the Boston Co., "the economy remains mired in a recession."

Economists believe that part of the problem is that banks are facing such pressure on their profits margins because of bad loans to real estate agents in the last few years that they are delaying passing the benefits of the Fed's actions on to customers and businesses.

Therefore, cheaper credit, the government's one lever to get the country out of the recession, is being diluted.

Bush Lauds N. American Free Trade Agreement

OW0205014691 Beijing XINHUA in English
0028 GMT 2 May 91

[Text] Washington, May 1 (XINHUA)—U.S. President George Bush said today the North American Free Trade Agreement with Canada and Mexico will create "the largest, richest market" in the world.

"A unified North American market would let each of our countries build on our strengths, would provide more and better jobs for U.S. workers," Bush told a meeting of the Society of American Business Editors and Writers.

According to Bush, the new market will have 360 million consumers and six trillion dollars in annual output.

The agreement will make necessities, such as food and clothing, more affordable and more available to the poorest citizens in the United States.

"It would raise productivity and produce a higher standard of living throughout the world," Bush said, "the resulting economic integration will strengthen American business in the global marketplace."

The agreement will create high-wage, high-skill manufacturing jobs in the machinery, computer, telecommunications and electronics industries.

Bush said, "As Mexico develops further, it will need even more of these high-tech goods and services," which are more likely to come from the United States than from anyone else in the world.

President Bush also acknowledged that there is a concern, not just in Congress, but in many of the labor halls around the United States, about job loss following the conclusion of the free trade agreement.

Many Americans are worried that after the conclusion of the agreement, some American firms will shift production to Mexico where labor costs are much lower than in the United States, thus causing job layoffs.

Bush promised that U.S. negotiators will address these concerns and provisions of the North American Free Trade Agreement.

He said, "We will ensure an adequate transition period for workers in import-sensitive industries."

He also pledged to work with Congress to make sure that dislocated workers receive proper assistance and retraining.

Soviet Union

Heilongjiang Officials Discuss Border Trade

Sun Weiben Stresses Opening

SK3004143991 Harbin Heilongjiang Provincial
Service in Mandarin 0900 GMT 29 Apr 91

[Text] During his inspection tour in Heihe Prefecture yesterday, Sun Weiben, secretary of the provincial party committee, spoke on the new situation in opening up to the outside world encountered by Heihe and Suifenhe cities. He emphasized the need for updating our ideas, enhancing our sense of opening up, and conscientiously doing a good job in invigorating the open zones.

At a meeting of cadres of Heihe Prefecture and Heihe City, Sun Weiben emphasized: Because ours is a remote border province inaccessible for a long period of time, its level in developing ties with other localities of the country and in opening up to the outside world is rather low. To change such a pattern established by history, we should work hard for a long period of time, update our ideas, and enhance our sense of opening up to the outside world.

First, we should embrace the idea that there is a boundary line between countries but not between trade. We should overcome the narrow concept of regionalism. While promoting mutual trade we should exceed the scope of mutual trade, should regard mutual trade as the antenna to understand the Soviet market, and should extend a bold hand to markets in the Far East and in inland areas of the Soviet Union and Europe. While promoting border trade, we should break with the idea that there is a boundary line in border trade, and should refrain from confining the scope of trade and cooperation to border areas and regarding border trade as exchanges of what our border areas have for what our counterpart's border areas do not have. According to the law governing the development of the commodity economy, there is no boundary line in markets. Therefore, we should use our opening up to areas to the north of the province to attract cooperation with the areas to the south of our province, and use this cooperation to promote the opening up. In addition, in planning regional economic development, we should free ourselves from the shackles of the concept of regionalism and should adopt a broader horizon to consider ways for the development of the regional economy. Border areas may establish enterprises in inland areas or foreign countries, and likewise inland areas and foreign countries may also establish enterprises in our border areas.

Second, we should embrace the idea that we will gain benefits if we allow others to gain benefits, and we will gain nothing if we allow others to gain nothing. We should overcome the narrow utilitarianism and enhance the concept that we will gain more benefits when everyone gains more benefits. After many years of practice, we may say that our province's border trade, especially Heihe and Suifenhe Cities' prospects for

development, is decided to a great extent by how we appeal to cooperation with the south. The key to this is to eliminate the myopic behaviors in the distribution of interests, the narrow utilitarianism, and the regional protectionism.

Third, we should embrace the idea of exercising control and relaxing control simultaneously, and using control to invigorate our work. We should break with the idea that tightened control will provide more measures than relaxed control will, and we should enhance the concept that control means service. The endeavor of opening up to the outside world, especially border trade, concerns the vital interests of various localities and joint inspection departments. Cadres of the joint inspection departments in particular should firmly embrace the idea that control means service, and should conscientiously render service to reform and opening up, to the development of border trade, to the grass-roots levels, and to the masses. We should understand that control is a means, and invigorated work is the purpose. In exercising control or relaxing control, we should consider whether it is conducive to opening up wider to the outside world and to the development of productive forces. Only when border trade is developed can the state and local authorities gain benefits. If border trade is not developed, state and local interests will be out of the question. Just as General Secretary Jiang stressed repeatedly, our work should start with the endeavor to seek greater development.

Fourth, we should embrace the idea of breaking with convention and adopting new measures to handle new work, overcome the ideas of sticking to old ways and waiting for and relying on assistance, and enhance the sense of working in a creative manner. We should persistently proceed from reality in actively tackling problems in line with the criterion of productive forces, and we should carry out our work in a creative manner. We should break with convention and adhere to the principle of adopting new measures to handle new work when handling the new issues emerging in the process of turning Heihe and Suifenhe Cities into showcases in opening up to the outside world, attracting foreign capital, attracting localities to the south of the province to carry out cooperation, and facilitating the opening up of border areas.

Fifth, we should embrace the idea of placing trade in the lead and using it to promote other undertakings, should correct the idea of neglecting the circulation of goods, and should enhance the modern concept of the commodity economy. The purpose of our calling for placing trade in the lead is to turn border trade into the starting point and pillar of the economy of border areas. We should develop all the undertakings of border areas through the role of trade in guiding the market and invigorating the economy.

During his inspection tour in Heihe Prefecture, Sun Weiben also visited Xunke County and Heihe City to

inspect construction of border trade, port, transportation, and energy facilities, and he heard a report of the Heihe Prefectural party committee on the progress of the border areas in opening to the outside world.

Vice Governor Sees 'Progress'

SK3004120691 Harbin HEILONGJIANG RIBAO
in Chinese 21 Mar 91 p 4

[Article by Du Xianzhong, vice governor of the Heilongjiang Provincial Government, entitled "Make Persistent Efforts To Implement the Development Strategy of 'Conducting Cooperation With the Places South of the Province and Opening the Province to the Places North of the Province'"]

[Text] Since the State Council approved the restoration of border trade between our province and the Soviet Union, we have made considerable progress in conducting border trade and economic and technological cooperation with the Soviet Union. The trade volume accumulated from 1982 to 1987 was 139 million Swiss francs. Goods delivered in 1988 alone valued 196 million Swiss francs. Ties of economic and technological cooperation between Heilongjiang and the Soviet Union have grown from nothing and have expanded from a small scale to a large one. A total of 157 contracts and agreements were signed, and more than 1,200 laborers were sent to the Soviet Union. The border trade was developed to a new level in 1989. Some 598 million Swiss francs worth of goods were delivered during the year, two times the figure for 1988. A total of 107 economic and technological cooperation projects were carried out, and 13,000 laborers were sent out. Under a comparatively difficult condition, 780 million Swiss francs worth of goods were delivered in 1990, an increase of 32 percent over the previous year. A total of 117 cooperation projects were carried out, and 11,000 laborers were sent out. In particular, we successfully organized the Sino-Soviet and East Bloc economic and trade symposium in Harbin in June 1990. Through the development of border trade with the Soviet Union, large amounts of raw materials and consumer goods—such as chemical fertilizer, timber, and steel products—have been brought in. This has not only supported economic construction and enlivened the markets, but it has also forcefully promoted the development of the export-oriented economy. Meanwhile, a large amount of tax revenues were created for the state. Practices showed that the guiding ideologies, principles, and policies of the party Central Committee and of the State Council on developing the Sino-Soviet border trade and on economic and technological cooperation are accurate and strategic choices which were made with foresight. The development strategy of "conducting cooperation with places south of the province, and opening the province to places north of the province"—formulated by the provincial party committee and the provincial government—conforms to the situation of the province and is a fruitful development policy decision.

The 1990's is a key period to develop border trade between our province and the Soviet Union. The situation ahead of us is extremely complicated. There are several prominent transitional tendencies: First, Sino-Soviet economic trade tends to shift its form of settling accounts from keeping accounts to payment in cash. At the time when the cash payment trade has not turned to the right path, there are possibilities to reduce the governmental trade developed in the form of keeping accounts, and there are opportunities to increase the barter trade. Second, the Soviet Union has shifted the economic system from a planned economy to a regulatory market economy. At a time when the new system has not taken shape, there are both favorable conditions for expanding the cooperation between our side and the Soviet side and bad influences because the Soviet government delegates to lower levels the rights to conduct border trade and economic and technological cooperation with our side, and Soviet localities and enterprises have opportunities to select their trade partners from among those that are excellent. Third, the Soviet Union has shifted the focus of the economic structure from heavy industry to industries satisfying the people's living demands. At a time when the industrial structure and the product mix have not been readjusted well, there are possibilities to weaken the advantages of making commodities supplement each other as well as favorable opportunities to expand economic cooperation. Fourth, the Soviet Union has focused its opening up policies on the Western countries. At a time when cooperation between the Soviet Union and the Western countries has not yet been ripe, we are confronted with not only sharp competition with the Western countries in economic and technological strength, but we are also confronted with favorable opportunities to conduct multilateral trade and develop the Far East areas. Fifth, at a time when our country has not accomplished the improvement of the economic environment and the rectification of the economic order, there are both difficulties due to conflict between the reform and opening up measures of both sides, and the favorable opportunities to pioneer the urgently needed consumer goods markets and to expand cooperation between China and the Soviet Union. Sixth, China's coastal provinces and cities, Hong Kong, Macao, and Taiwan have shifted their economic and trade cooperation ties with the Soviet Union from indirect supply of goods to direct cooperation. At a time when large-scale cooperation has not yet been expanded, we are confronted with sharp competition as well as favorable opportunities of expanding cooperation with places south of the province and expanding the opening up of the province to places north of the province. Of this, the Soviet Union's internal political and economic situation is the most direct transitional factor and is of greater influential power in the near future. Various temporary difficulties ahead of the Soviet Union at present have not only enhanced the necessity and urgency of expanding the import of basic consumer goods, but has also brought about unstable factors for limiting the capability of paying back within a short period of time. In reality,

border trade and economic and technological cooperation between our province and the Soviet Union have entered a stable development stage with the focus on optimizing the cooperation structure.

To effectively implement the development strategy, we should emphatically attend to four work tasks in the near future.

First, we should further seek unity of thinking and define guiding ideologies. We should clearly understand that the Soviet Union's internal political and economic difficulties are temporary. Along with the normalized development of Sino-Soviet relations and the deepening of the Soviet Union's economic structural reform, China and the Soviet Union have broad prospects for developing economic and trade cooperation as well as exchange. The province's efforts to develop border trade and economic and technological cooperation with the Soviet Union not only conform to the common interests of the Chinese and Soviet people but also comply with the current situation where the international economy with regional factors is regarded as a whole. Therefore, we must generally grasp the situation and timely promote the development of border trade with the Soviet Union. Meanwhile, I should particularly stress that optimizing the economic structure, and appropriately readjusting the economic structure, is an important prerequisite for keeping a sustained, steady, and sound development of border trade with the Soviet Union. Based on the principle of paying attention to both long-term and short-term interests, we must define that the guiding ideologies for conducting economic and trade cooperation with the Soviet Union are: to persist in the principle of opening the province to all directions; to grasp both the favorable opportunities brought about by the current economic development and the opportunities when Sino-Soviet governmental trade shifts its form of settling accounts from keeping accounts to payments in cash; to give full scope to local and border trades' advantages of exchanging goods and to play a role as a main force in stabilizing and developing the Sino-Soviet trade when the Soviet Union has not yet finished the readjustment of the economic structure; to fully display the mutual supplementary advantages in order to vigorously develop regional economic, technological, and labor service cooperation between our province and the Soviet Union's Far East Area and Siberia; to promote the readjustment and upgrading of the province's industrial structure; and to have our province be an important window and passage to open China to the Soviet Union and the East European countries.

Second, we should perfect the import and export commodity structure and expand spheres of cooperation. We should further define that we must develop the border trade with the Soviet Union on the basis of stabilizing and developing trade, and with the focus on developing economic and technological and labor service cooperation, undertaking overseas projects, and developing industries of processing and assembling with materials and specifications provided by foreign firms (or industries of exporting

materials and specifications to foreign countries for processing and assembling.) The key to stabilizing barter trade hinges on readjusting the import and export commodity structure and expanding the scale of exchanging goods. Besides the traditional nonrenewable, equal-valued barter trade, we should vigorously explore ways to conduct cash trade, develop compensation trade, and provide loans to develop commodities. We should expand, in a step-by-step manner, the sphere of conducting economic and technological cooperation with the Soviet Union. We should concentrate great efforts on developing several major projects with influential power over the development of the Sino-Soviet border trade. We should prominently attend to the development of agricultural production and the processing of farm products; the development of forestry and the processing of forestry products; the economically and technologically cooperative production of building materials, textile products, and machinery and electrical products; the export of labor forces; and the contract of overseas construction projects. We must notice that along with the development of the Sino-Soviet border trade, the mutual supplementary advantages will essentially be weakened and eliminated. It is essential to change the focus of barter trade from the mutual supplement of bilateral advantageous products to the mutual supplement of industries, technologies, equipment, and material resources in the bilateral or multilateral economic and technological cooperation spheres. This fundamentally decides the short-term actual effect from the mutual supplement of advantageous products as well as the strategic and competitive nature of economic supplementary change in the economic and technological cooperation sphere.

Third, we should positively strive to pioneer and establish border trade investment areas as well as an open area, and should strive to create a fine investment environment. According to the "CPC Central Committee's Proposal for Formulating the 10-Year Program for the National Economic and Social Development and the 'Eighth Five-Year Plan,'" we should carry out the principle of positively developing economic and trade relations with the inland border countries. In line with the actual conditions of the province and the demands of making the Northeast Asia economy integrated, we should select some port cities with advantageous conditions for opening to the outside world, such as Heihe and Suifenhe, and should build them into areas where the whole country makes investments to develop border trade with the Soviet Union; and we should strive to build Harbin into an open area. At a time of carrying out special preferential policies, we should concentrate various advantages to transform and improve telecommunications capacity, the supply of energy resources, and transportation conditions; should realistically strengthen the construction of infrastructural facilities in the investment areas and the open area; should create a fine environment; and should gradually form a pattern of opening the province to all directions with Harbin as a key link, with port cities (towns) as windows, and with

areas along the Harbin-Manzhouli and Harbin-Suifenhe railway lines and along the Songhua Jiang valley as the framework.

Fourth, we should strengthen the construction of the economic and trade workers contingent, and should ensure that policy decisions become more scientific. Through development over the past years, the Heilongjiang-Soviet economic and trade workers contingent has preliminarily taken shape. However, the contingent still cannot keep abreast of the development of the economic and trade undertakings with the Soviet Union, principally because there are no sufficient backbone forces and the overall quality is low. Therefore, we should pay particular attention to strengthening the construction of the economic and trade workers contingent, should formulate necessary training and rotational training plans, should bring the plans onto the work agenda, and should realistically ensure a success in the construction of the contingent within three or five years. Meanwhile, we should vigorously strengthen the basic work in the financial, accounting, and information spheres; should pay particular attention to strengthening forces and conducting investigations and study of the international markets in the Soviet Union, the East European countries, and the Northeast Asia; should balance the trade channels; should pool the efforts of specialists and the masses; should strictly strengthen management; should actually understand the situation of the province as well as that of the Soviet Union; and should further upgrade the level of making policy decisions on conducting economic and trade cooperation with the Soviet Union. Through the practices made over the past years, our province accumulated a lot of experience and deep lessons in the sphere of developing economic and trade relations with the Soviet Union. Thus, the departments concerned should conscientiously sum up experiences and draw lessons in line with the work of formulating and implementing the Eighth Five-Year Plan and the 10-year program; and should organize forces to promote a sound development of economic and trade work with the Soviet Union.

Jilin Official Receives Kalmyk ASSR Delegation

*SK0205021491 Changchun Jilin Provincial
Service in Mandarin 2100 GMT 1 May 91*

[Text] At the invitation of the Jilin Provincial People's Government, the eight-member government delegation of the Kalmyk Autonomous Soviet Socialist Republic [ASSR], which is headed by (Gumulinov Mazay), first deputy chairman of the Kalmyk Autonomous Soviet Socialist Republic Council of Ministers, visited our province from 26 April to 1 May.

During their visit, Wu Yixia, vice governor of Jilin Province, received all members of the Soviet delegation and signed an agreement with the delegation on economic, labor, and technical cooperation between the Jilin Provincial People's Government and the Kalmyk Autonomous Soviet Socialist Republic which is one of

the partners of our province's cooperative projects. From 1990 on, our province and the Soviet socialist republic have begun to jointly engage in the production of vegetables and open Chinese restaurants and brick-yards. The provincial level departments concerned have held talks with the Soviet delegation and exchanged opinions with it. During the talks, based on the principle of friendship and cooperation, the two parties reached agreement on developing greenhouse production of vegetables, opening joint-venture plants, dispatching specialists, and broadening the barter trade.

Northeast Asia

Li Peng Meets With Japan's Takeshita

OW0205124791 Beijing XINHUA in English
1233 GMT 2 May 91

[Text] Beijing, May 2 (XINHUA)—Chinese Premier Li Peng met with Noboru Takeshita, former Japanese prime minister, and his party here this afternoon.

According to sources at the Foreign Ministry, Takeshita is here on a goodwill visit and to attend the opening ceremony of a China-Japan youth exchange center. During his tenure of office and after leaving his post as prime minister, Takeshita has always maintained close contacts with Li Peng.

Extending a warm welcome to Takeshita, Li spoke highly of Takeshita for his important contribution to promoting bilateral friendly relations of cooperation in the long run.

Li noted that the founding of the youth center is closely linked with the concern shown by the two former Japanese Prime Ministers Yasuhiro Nakasone and Takeshita.

He hoped the center play a positive role in enhancing the friendly contacts between the youth of the two countries and said, "the Chinese Government will render support to the center."

Li pointed out that the elder politicians of the two nations established deep friendship toward each other and their present leaders also maintain close contacts. What is even more important, he went on, is that the youth of the two nations should pass on Sino-Japanese friendship from generation to generation.

Li briefed Takeshita on China's political and economic situation and said the just-ended Fourth Session of the Seventh Chinese National People's Congress approved a Ten-year Program and a Five-Year Plan [as received].

In a word, he continued, their basic spirit is the reform and opening, as well as stability and development.

He said, "China has succeeded in controlling its inflation and its production has gradually developed, and this created favorable conditions for further reform."

The deepening of reform and economic development would render broad prospects for Sino-Japanese economic cooperation, Li added.

During the one-hour meeting, Takeshita said he was pleased to attend the opening ceremony of the youth center. He said next year would be the 20th anniversary of the normalization of bilateral diplomatic ties and both sides should take the good opportunity to give a push to the Japan-China friendship and cooperation.

Takeshita also put forward proposals on friendly exchanges in language training between the youth of the two nations, which Li expressed agreement.

The former Japanese Prime Minister also briefed Li on his viewpoints on the international economic situation.

After the meeting, Li hosted a dinner for Takeshita and his party.

Wang Zhen Receives Japanese Cultural Group

OW0105142791 Beijing XINHUA in English
1400 GMT 1 May 91

[Text] Beijing, May 1 (XINHUA)—Chinese Vice-President Wang Zhen met here this afternoon with a delegation from the Japan-China Cultural Exchange Association (JCCEA).

Led by Senda Koleya, JCCEA's acting council member, the delegation was warmly welcomed by Wang, also honorary President of the China-Japan Friendship Association (CJFA).

During the meeting, Wang expressed his thanks for the JCCEA's great contributions in promoting Sino-Japanese cultural exchanges. He also spoke highly of the outstanding contributions the JCCEA's late president made in the cause of Sino-Japanese friendship.

Wang said that, under the leadership of the Chinese Communist Party with General Secretary Jiang Zemin as its core, China has remained in fine political and economic situation and social stability.

Koleya said he believed in the wise and strong leadership of Chinese leaders, adding that the two countries and the two peoples should strengthen their friendship.

The delegation arrived here at the invitation of the Chinese People's Association for the Friendship with Foreign Countries.

Sino-Japanese Trade Prospects Considered

HK0105024091 Beijing RENMIN RIBAO in Chinese
18 Apr 91 p 7

[Article by Liu Jiangyong (0491 3068 3057), associate fellow researcher of the Institute of Contemporary International Relations: "Prospects for Sino-Japanese Economic Relations and Trade During 1990's"]

[Text] Sino-Japanese economic and trade relations will enter a new stage of development in the 1990's. The following estimates can be made on the features and prospects of the trade relations between the two countries:

1. The possibility of an expanded and balanced development begins to show in Sino-Japanese trade as a result of changes in the trade structures of the two countries. Judging from the Sino-Japanese economic development level as a whole, Japan occupies a dominant position, and its competitive capacity in commodities with a high additional value is higher than China. Moreover, the long-term vertical division of labor in Sino-Japanese trade has also served to cause trade deficits on the Chinese side. Both China and Japan hope to bring about an expanded and balanced development of trade between the two countries, that is, the two sides will constantly seek to expand trade on the basis of maintaining a balance in trade contacts between themselves. Since 1985, China and Japan have made efforts in this direction, and have made headway to a certain degree. This trend should be maintained.

Judging from Japan's makeup of imports, the proportion of Japan's imported manufactured goods is going up each year: The proportion of industrial finished products in Japan's total imports stood at 30 percent in 1984; 50.3 percent in 1989; and 50.7 during January-May 1990. Japan is forced to make such changes, for it has damaged its own international trade environment by creating increasingly acute trade frictions with almost all its trading partners as a result of its export surplus since the 1980's and an unduly closed market system. In addition, because of an increase in the costs of products and a drop in the competitive capacity in exports, resulting from the appreciation of Japanese yen, some Japanese enterprises have had to strengthen increase investment in overseas markets, expand overseas production bases, and resell low-cost but fine-quality products made overseas to Japan. As a result, some changes have taken place in Japan's consumption and production patterns.

Over a long period of time, Japan depends on imports for its raw materials and energy, while the entire process of manufactured industrial goods, from production to exports, is mostly completed within Japan. It is difficult for any foreign countries to have a part in such a "structure of complete processing trade." The appreciation of Japanese yen has forced Japanese enterprises to step up their efforts to make use of overseas intermediate products and capital goods, which are low priced but of fine quality. Of Japan's imported industrial raw materials, the proportion of intermediate products with a fairly high level of processing has increased from 47 percent in 1982 to 62 percent in 1988. A survey made by the Japanese Ministry of International Trade and Industry in January 1989 showed that 53.7 percent of Japanese enterprises had considered increasing the import of intermediate products and spare parts and replacing homemade products with imported ones; while

some factories had become more inclined to import finished products from abroad.

Structural changes have also been seen in China's export trade to Japan. In the past, crude oil was a major item in China's exports to Japan. The proportion of crude oil in China's total exports to Japan has dropped from 39.3 percent in 1984 to 16.2 percent in 1988; while the proportion of industrial manufactured goods exported to Japan has been on the rise. Of China's exports to Japan, the proportion of industrial manufactured goods made up 26.5 percent in 1979, but soared to 51.5 percent in 1989 (or to 70 percent, if foodstuffs are included). In the past, people generally considered that it is hard for mechanical products with a high additional value to enter Japan's markets. The development in such undertakings as joint-ventures and outside processing during recent years has helped bring about a lateral division of labor in this field between China and Japan within a relatively short period of time.

2. Prospects of Sino-Japanese trade in the 1990's. Judging from Sino-Japanese trade structure, China's exported commodities to Japan are still of a relative low standard, and the basis for an expanded and balanced development in Sino-Japanese trade still needs to be strengthened. According to Japan's general practice, the trade structure is divided into five major categories including foodstuffs, industrial raw materials, capital goods, nondurable and durable consumer goods. Among the five categories, the scientific and technological levels, and the standards of products are in direct ratio to the proportion of durable consumer goods (such as home electric appliance, cars, and high-quality toys) and capital goods (including machinery, transportation, and electronic equipment) for exports. China still lags far behind in this connection. Of China's exports to Japan in 1989, the proportions of durable consumer goods and capital goods accounted for only 4 and 2 percent respectively, lower than the Southeast Asia region's average levels of 8 and 9 percent.

In the past, China relied mainly on industrial raw materials, such as crude oil, in its exports to Japan. Japan has made readjustments to its economic and energy consumption structures after experiencing two oil crises, however. The oil consumption per unit in Japan's GNP in 1989 dropped by 37 percent over 1973. During the second oil crisis in 1979, the proportion of imported oil made up 30 percent of Japan's total export volume, however, it dropped to 10 percent in 1988. The reliance rate on oil by Japan's energy industry has also reduced from 66.1 percent in 1980 to 57.3 percent in 1988. Japan's Central Electric Company [zhong bu dian li gong si 0022 4716 7193 0500 0361 0674] plans to, in the coming decade, further promote atomic power production and reduce petroleum power production from 38 percent in 1989 to 26 percent. The Gulf crisis has also served to push Japan's economy toward the direction of "breaking away from oil." In our efforts to expand Sino-Japanese trade, in addition to jointly developing oil fields in the Talimu Basin, and expanding exports of

liquid coal to Japan, it is imperative for China to strengthen its exports of manufactured goods. If the growth rate of Sino-Japanese trade in the 1980's can be maintained in the coming decade, the trade volume between China and Japan can be expected to reach \$35-40 billion.

3. The development direction of Sino-Japanese economic and trade relations in the 1990's. To attain the aforementioned goals, Japan should further open up its markets. At present, although the proportion of Japan's imported finished products has already exceeded 50 percent, it is only the level maintained by Europe and the United States in the mid-1960's. Currently, the proportions of imported manufactured goods of the United States and EC countries stand at 80 and 72 percent, respectively. It is thus clear that Japan still has a great potential in assimilating the finished goods of Asian countries. At the same time, China should also make great efforts in this regard.

Sino-Japanese economic and trade relations in the 1990's should maintain the momentum of a balanced, stable, and constantly expanding development. As long as China and Japan can make concerted efforts, this goal can be accomplished. In short, it can be said that whether or not Sino-Japanese economic and trade relations can grow healthily and smoothly will largely depend on whether or not steady upturns can be brought about in the following two aspects:

1. A steady upturn should be brought about in a stable and sustained growth in China's economy, and in a constant expansion of Sino-Japanese trade relations. To this end, China should ensure a stable, well-coordinated, and sustained economic development. During this process, Japan's vigorous efforts to carry out economic cooperations with China are of great significance. Many people of insight from the Japanese economic circles have come to recognize that Japan's efforts to promote a stable development in China's economy virtually means to create sound international conditions for the Japan's own economy as well as its exports to China.

2. A steady upturn should be brought about in the supplementary political and economic relations between the two countries. A stable and healthy development in Sino-Japanese political relations will serve to strengthen the confidence of people from the economic circles of both countries; while strengthened economic and trade relations between the two countries will also help create a motive force for the development of political relations. The realization of the above two steady upturns should be regarded as the direction of the concerted efforts of both China and Japan in developing friendly relations in the 21st century.

Former Japanese Prime Minister Nakasone Visits

Li Peng Discusses Minesweepers

OW0105150591 Tokyo KYODO in English
1446 GMT 1 May 91

[Text] Beijing, May 1 KYODO—Chinese Premier Li Peng told former Japanese Prime Minister Yasuhiro Nakasone on Wednesday that the dispatch of Japanese minesweepers to the Persian Gulf is a delicate issue.

Li asked that Japan keep in mind the possibility that its actions could remind Chinese and other Asian peoples of past "unpleasant" experiences.

Li, in a one hour and 20 minute meeting with Nakasone in Beijing, referred to the "enormous sum" Japan contributed in financial assistance to the multinational forces operating in the Persian Gulf during the Gulf war.

"Is the most important thing in the Gulf war not Japan's (political and economic) contribution?" Li told Nakasone. "It is nothing to be ashamed of."

Li also noted that many of the sophisticated American weapons used during the conflict would not have operated without Japanese-made parts.

Nakasone told Li that procedures should be put in place for the international monitoring and reporting of weapons exports where there is a danger of a country such as Iraq increasing in strength and invading another country.

Li noted that the world's largest weapons exporters are the United States, the Soviet Union, France, and Britain and not Japan or China. He said the question should first be taken up with these countries.

Li said it is necessary to assist developing countries with their defense requirements and China's weapons exports are in line with this policy.

Li said he supports a total ban on nuclear, biological and chemical weapons.

He said China had provided missiles to Saudi Arabia but that at the time the Saudis had been under threat from a neighboring country.

He said that since then, China has not exported any missiles.

During the meeting, Nakasone described his visit and the visit from Thursday by another former Japanese Prime Minister Noboru Takeshita as representing a return to normal relations between the two countries following the disruptions after the Tiananmen Square crackdown on pro-democracy demonstrators in 1989.

Nakasone also queried Li on his view of proposals for independent membership of the United Nations by South Korea in view of Li's visit to North Korea from Friday.

Li did not give a direct response to the question of U.N. membership but indicated that he thought improved relations between Japan and North Korea would have a beneficial effect on relations between North and South Korea.

Li also described relations between China and the U.S. as generally smooth but that there still exist many unwarranted problems.

He said this was because the U.S. is making demands on China despite the fact that China had done nothing wrong.

He said the relationship would be of value as long as President George Bush maintains China's preferred nation status.

He said China's huge population makes it a vast potential market and that if the U.S. is to ignore this, China would do business with other countries.

Meeting With Wang Zhen

*OW0205113091 Beijing XINHUA in English
1118 GMT 2 May 91*

[Text] Beijing, May 2 (XINHUA)—Chinese Vice-President Wang Zhen met with former Japanese Prime Minister Yasuhiro Nakasone here today.

Wang, honorary president of the China-Japan Friendship Association, extended a warm welcome to Nakasone, who is leading a group of Japanese politicians here, saying such visit is useful for enhancing Sino-Japanese friendly relations.

The joint efforts by Chinese and Japanese politicians at all levels are indispensable for strengthening the friendship between the two countries and peoples, he said.

Nakasone, calling Wang and himself pioneers of Sino-Japanese friendship, said there should be more pioneers of a new generation for the sake of expanding that friendship.

Wang thanked Nakasone for his "important contributions to Sino-Japanese friendship over the years," saying bilateral ties enjoyed very good development during his time in office as prime minister. While there emerged some problems, he added, they were well settled with efforts from both sides.

As next year marked the 20th anniversary of the restoration of diplomatic relations between Japan and China, Nakasone noted, the two sides should work jointly towards the furthering of good neighborly relations of friendly cooperation, so as to bring more significance to the occasion.

In the evening, the China-Japan Friendship Association hosted a banquet to welcome Nakasone and his party.

Wang on U.S. 'Hegemony'

*OW0205140891 Tokyo KYODO in English
1329 GMT 2 May 91*

[Text] Beijing, May 2 KYODO—Chinese Vice President Wang Zhen hinted Thursday that China is wary about what he described as U.S. hegemony, Japanese officials said.

"Today's world still has a country which wants to exert a hegemonic policy. The reality (of such a policy) is embodying itself in a certain region of the world," Wang said during a 45-minute meeting with former Japanese Prime Minister Yasuhiro Nakasone, the officials said.

His remarks apparently referred to the United States, following a ceasefire in the Persian Gulf war with Iraq and relief efforts in the area.

Nakasone is visiting China as a Japanese Government representative at the opening ceremony of a Japan-China Youth Center, the officials accompanying Nakasone said.

The meeting took place at the Great Hall of the People in Beijing.

Wang also told Nakasone that China wants to learn more about Japanese technology. He said maintaining a long-term friendly relationship between the two countries will contribute to enhancing the stability of the world, the Japanese officials said.

In reply, Nakasone said more efforts will be required to strengthen friendly bilateral relations.

Visit to Disability Center

*OW0105134191 Beijing XINHUA in English
1306 GMT 1 May 91*

[Text] Beijing, May 1 (XINHUA)—Former Japanese Prime Minister Yasuhiro Nakasone visited the China Rehabilitation Research Center here today.

During his stay there, Nakasone also met Deng Pufang, president of the China Disabled Person's Federation.

Deng told Nakasone that the Chinese Government has done a lot for establishing this center, and the center has also got much support and help from the governments of Japan, Germany and Canada.

Deng told the guests that with development of China's reform and opening to the outside world, the work for the disabled has gained much progress. Rehabilitation centers of different sizes have been built all over the countries.

Nakasone expressed his appreciation of China's efforts and achievements in improving living and working conditions of the disabled. He hoped Japan and China would cooperate with each other in this regard.

Address to College Students

OW0205083691 Beijing XINHUA in English
0658 GMT 2 May 91

[Text] Beijing, May 2 (XINHUA)—Former Japanese Prime Minister Yasuhiro Nakasone and his party including former government officials and dietmen had a friendly talk with a group of Chinese college students and young entrepreneurs at the Diaoyutai state guest-house here today.

Nakasone told the Chinese young people about his view on the impact of the Japanese-Sino friendship on the peace in Asia and the world. He said Japan will enhance its cooperation with the Third World countries in agriculture, environment protection and population control.

The students expressed their admiration for the former Japanese prime minister's contributions to the Sino-Japanese friendly relations.

They asked questions about Japanese young people's attitude towards China, politics and the Gulf war as well as the difference between the Japanese and Chinese women in their family and social roles.

The students and entrepreneurs answered questions about their views on China's current situation and what they expect from Japanese businessmen.

Prior to the meeting, a number of Chinese calligraphers shared calligraphic skills with the guests.

Zhu Liang on South Korea's UN Membership

OW0205152691 Tokyo KYODO in English
1404 GMT 2 May 91

[Text] Beijing, May 2 KYODO—China cannot endorse a South Korean campaign for separate membership in the United Nations, a senior Chinese Communist Party [as received] official said Thursday.

Zhu Liang, head of the party's International Liaison Department, told Japanese reporters that 'we cannot support a South Korean bid for a single seat in the United Nations.'

He stopped short, however, of saying whether China, an ally of North Korea, will exercise its veto right on the issue or abstain when South Korea formally applies for single U.N. membership.

Zhu made the remarks before meeting with Makoto Tanabe, vice chairman of the Social Democratic Party (SDP), Japan's largest opposition grouping.

An application for U.N. membership can be denied by the veto of any of the five permanent members of the U.N. Security Council—China, the Soviet Union, the United States, Britain, and France.

Seoul has said it will apply for unilateral membership this summer if Pyongyang does not agree to its proposal that they join simultaneously, taking separate seats.

North Korea, which argues that the Southern proposal would perpetuate the division of the Korean peninsula, says Seoul and Pyongyang should share a single seat.

Both North and South Korea now have U.N. observer status.

Zhu said that unilateral membership for Seoul would not help to promote inter-Korean dialogue or to ease tensions.

He said he hopes that North and South Korea will discuss the matter and reach an agreement on the U.N. membership issue.

The issue is expected to be one of the focal points discussed with North Korean leaders during Chinese Premier Li Peng's visit to Pyongyang starting Friday.

Referring to international calls on North Korea to allow the International Atomic Energy Agency (IAEA) to inspect its nuclear facilities, Zhu said, 'I hope that Pyongyang will discuss the matter with countries concerned and find an appropriate solution to the problem.'

Zhu denied a report that Kim Chong-il, heir-apparent to his father, North Korean leader Kim Il-song, would visit China in May, adding that the senior Kim does not plan to visit Beijing, either.

On the U.S. allegation that China has been helping Algeria to develop nuclear weapons, Zhu said Beijing began to extend assistance in developing nuclear energy to the North African country in 1983.

Zhu, however, said that this assistance is limited to help with experiments in a small nuclear power plant designed for peaceful purposes.

Tanabe, along with former Japanese Prime Minister Noboru Takeshita, arrived in Beijing earlier in the day to attend the opening ceremony Friday of a Japan-China youth center.

Li Peng Greets DPRK Labor Delegation

SK0105005791 Pyongyang Domestic Service
in Korean 1300 GMT 26 Apr 91

[Text] Li Peng, premier of the State Council of China, on 23 April met Yi Chae-yun, minister of Labor Administration and head of our country's delegation participating in the 12th labor ministers' meeting of Asian-Pacific countries, in Beijing.

At the meeting, the head of our delegation conveyed warm greetings from the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il to the respected Comrades Deng Xiaoping, Jiang Zemin, Yang Shangkun, and Li Peng. Premier Li Peng expressed deep gratitude for this and asked the head of the delegation to convey warm greetings to the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il from himself and Comrades Deng Xiaoping, Jiang Zemin, and Yang Shangkun.

Official Previews Li Peng's Visit to DPRK

SK0205134391 Beijing International Service
in Korean 1100 GMT 30 Apr 91

["Full text" of radio speech by Huang Shiming, vice president of the Chinese People's Association for Friendship With Foreign Countries; place and date not given—read by announcer]

[Text] Dear comrades in Korea. At this very moment in which we are faced with a warm spring with the reanimation of all creation and the blossoming of flowers, I, on behalf of the the Chinese People's Association for Friendship With Foreign Countries and the China-Korea Friendship Association, happily extend my warm greetings and sublime respects to the fraternal Korean people.

Since the establishment of the DPRK on 9 September 1948, the diligent and brave people of Korea, under the leadership of the great leader President Kim Il-song, have achieved great results in all fields of socialist revolution and construction.

I was pleased to be invited to your country in October last year. Along with the delegation of the Chinese People's Association for Friendship With Foreign Countries and the China-Korea Friendship Association, I went to your country and participated in the events of the 40th anniversary of the Chinese People's Volunteers' participation in the front line of Korea. Thereby, I received warm and enthusiastic hospitality from the leaders of the party and the government of Korea and the fraternal Korean people during our goodwill visit to your country.

We were very excited by this hospitality. During our visit to your country, we had an opportunity to directly witness the great changes which had occurred in Korea, a heroic land. The Korean people, with their wisdom and creative labor, have built a modern town on the ruins of past war and have made beautiful Korea (Kumsugang-san) even more beautiful.

A modern style of many-storied buildings and plants have been built in line. The wide roads, which are beautiful and clean with a shade of thickly planted trees, stretch vertically and horizontally. This shows, indeed, the spirit of development in the country. Furthermore, after touring around Kwangbok Street, which was built by the Korean people in a short time in accordance with a set size and modern facilities, and Tongil Street, which is now under expansive construction, we deeply felt that the fraternal Korean people, with their firm conviction, seething passion, and soaring zeal for the future of the fatherland, are heroically working to further develop their country and make it prosper.

We are very pleased with the results that the Korean people have obtained. Thereby, we are not only encouraged by them, but also truly expect that they will be able to win new and more victories in socialist and revolution construction in the future.

The two countries, Korea and China, are close and friendly countries which have political relations [word indistinct]. The people of our two countries are the close comrades-in-arms and brothers who have a long history and traditional friendship. In the past protracted struggles to fight against the foreign aggressors and to preserve national independence, the people of our two countries shared their fates with each other and built a strong friendship.

In socialist construction, the people of our two countries, shoulder to shoulder, are fighting for their common ideals and causes while consistently showing concern for and supporting each other. Amid the warm interest of the two countries' leaders and through the mutual visits of the leaders, today, the friendly exchanges and cooperation of our two countries' people have been increased in various fields every day. As a result, the friendship between the two countries has been further strengthened. Li Peng, premier of our country, will pay an official and goodwill visit to your country soon. We firmly believe that Li Peng's visit to your country this time will serve as an opportunity of raising the friendly and cooperative relations between our two countries to the new and higher stage and of further strengthening and developing the great friendship between the people of the two countries.

During our visit to Korea last year, we went to Kaesong and had an opportunity to see Panmunjom. During the tour, we had an opportunity of witnessing the reality in which the whole land of beautiful Korea had been artificially divided. From this, we have deeply felt that realizing the reunification of the fatherland is the national aspiration of the whole Korean people.

In the past, under the leadership of President Kim Il-song, the Workers Party of Korea and the government presented a series of the reasonable proposals to realize the independent and peaceful reunification of Korea as soon as possible. At the same time, they have constantly made efforts to do it.

The people of the PRC consistently support the position and assertion of the Korean people, who are making efforts to reduce tension on the Korean peninsula and to promote the realization of the independent and peaceful the national reunification through various methods and dialogues among various social strata.

We firmly believe that the 70 million Korean people will happily live in one place without fail after the reunification of the whole land of beautiful Korea.

Former Mongolian Leader's Funeral Reported

OW2904083291 Beijing XINHUA in English
0738 GMT 29 Apr 91

[Text] Ulaanbaatar, April 29 (XINHUA)—The funeral of former Mongolian leader Yumjaagiyn Tsendenbal, who died of illness in Moscow on April 21, was held here today at the Golden Cradle Cemetery.

Assistant Premier Choyjilsurengiyn Purebdorj and the widow of Tsedenbal made memorial speeches at the funeral.

Vice President Radnaasumbereliyn Gonchigdrj and Premier Dashiyn Byambasuren were among the thousands of people who paid their last respects to Tsedenbal's remains this morning.

Tsedenbal, born in 1916, served as general secretary of the country's ruling People's Revolutionary Party, chairman of the Great People's Hural (parliament) and premier.

He was removed from his posts as party general secretary and chairman of the Great People's Hural on August 23, 1984, and ousted from the party on June 30, 1990.

Mongolia Begins Privatization Process

OW0205084691 Beijing XINHUA in English
0734 GMT 2 May 91

[Text] Ulaanbataar, May 2 (XINHUA)—In accordance with a decision taken by the government's privatization committee, Mongolia began its first experiment with market forces Wednesday.

Termed as "small privatization," this initial step involves the state selling off shops and parts of the food service trade to individuals or collective cooperatives, a committee official told XINHUA today.

The municipal government in Ulaanbaator, capital of the country, decided to offer 12 state-owned shops to 341 bidders as the beginning of the privatization process in Mongolia, the official said.

The next step, "big privatization," to decentralize the country's industry, agriculture and especially animal husbandry can be expected to follow shortly, the official said, adding that the Mongolian small hural (standing body for the great people's hural, or parliament) began discussions on that big step today.

Mongolia's privatization committee was established at the beginning of this year.

Southeast Asia & Pacific

Cambodian Resistance Notes Cease-Fire Violations

OW0105123291 Beijing XINHUA in English
1219 GMT 1 May 91

[Text] Bangkok, May 1 (XINHUA)—The Cambodian resistance forces today strongly accused the Phnom Penh troops for violating ceasefire in Cambodia by attacking positions of the resistance forces.

In a communique issued here today, the National Army of an Independent Kampuchea (ANKI) under Prince Norodom Ranariddh said 300 men from the regiment 367

of the Phnom Penh Army, under the cover of two Soviet-made T-54 tanks, launched an attack at 4:00 a.m. this morning against the 6th brigade of the ANKI forces in Varin district, Siemreap Province, northwest Cambodia.

"The enemy forces shelled positions with 85-mm artillery and 82-mm mortar and reports from the field at noon today said the enemy attack is still going on," the communique said.

At 1:00 a.m. this morning, the Phnom Penh forces, supported by T-54 tanks, launched an attack against the ANKI forces in Srei Snam district, the same province, and reports from the front at 13:00 said the attack is still continuing, it said.

In conformity with an appeal made on April 22 by France and Indonesia and the U.N. Secretary General Perez de Cuellar, the three factions of the Cambodian resistance and the Phnom Penh regime have agreed to observe a temporary ceasefire in Cambodia from 00:00 hour of May 1 till at least the next Jakarta meeting on Cambodia to be held at the end of this month.

Singapore Vice Premier's Visit Reported

HK0205025291 Beijing CHINA DAILY
in English 2 May 91 p 2

[By staff reporter Ren Kan]

[Text] Lee Hsien Loong, the Singapore Vice-Premier, arrives in China today with a 28-member trade delegation to help boost economic-cooperation between the two countries.

During his two-week trip, which starts in Shenzhen, Guangdong Province, the Singapore trade and industry minister is expected to meet senior Chinese officials including Vice-Premier Tian Jiyun in Beijing.

As part of his tour to promote further Sino-Singapore cooperation, Lee will also visit the city of Shanghai, and Zhejiang and Fujian provinces, an official with the Ministry of Foreign Economic Relations and Trade said yesterday.

The official said Lee's visit would add impetus to the growing trade and economic relations between the two countries.

Trade between China and Singapore for the first three months of this year was valued at \$560 million, 11 percent more than the same period last year.

Of this, China exported \$420 million worth of products to Singapore while importing \$140 million of Singapore products.

The figure has strengthened Singapore's status as one of China's main trading partners.

The ministry official said bilateral trade would continue to expand during the rest of the year, but declined to predict whether this year's total trade value would top last year's \$2.83 billion.

China mainly trades its crude oil, refined oil, cereals and oil products, food stuffs, light industrial products and textiles in exchange for Singapore's machinery and electric products, rubber, palm oil and chemical products.

China has supplied Singapore with about three million tons of crude oil each year during the past six years.

Sino-Singapore economic relations have been developing steadily since 1980 when the two countries set up commercial representatives offices in each other's capital.

Since then, they have signed bilateral pacts to protect investment, avoid double taxation, and promote tourism, aviation and exhibitions.

Singapore, which established diplomatic relations with China last October, has also become the fifth biggest investor in China after Hong Kong, Japan, the United States and Canada, with \$700 million ploughed into Chinese projects.

Near East & South Asia

Economic, Technical Accord Signed With Tunisia

LD3004092491 Tunis Domestic Service in Arabic
1700 GMT 29 Apr 91

[Excerpts] An agreement on economic and technical cooperation between Tunisia and China was signed in Beijing on 29 April. [passage omitted]

The agreement stipulates that China will give a 10 million dinar loan to the Tunisian Government to finance economic and technical cooperation projects between the two countries. This loan will be interest-free, is to be repaid over 10 years, and has a 10-year grace period.

CPPCC Delegation Ends Visit to Syria

OW0105134591 Beijing XINHUA in English
1301 GMT 1 May 91

[Text] Damascus, May 1 (XINHUA)—A delegation of the National Committee of the Chinese People's Political Consultative Conference (CPPCC) headed by its Vice-Chairman Gu Mu left here for home today after an eight-day official visit to Syria.

Before departure, Gu told XINHUA that his talks with Syrian officials contributed to strengthening the traditional ties of friendship and cooperation between China and Syria.

Gu held talks with Syrian President Hafiz al-Asad, parliament speaker Abdul-Kader Kaddoura [name as

published], prime minister Muhammad al-Zu'bi and other senior officials on bilateral political and economic cooperations.

The two sides also exchanged views on the latest developments in the Middle East and other international issues.

Judicial Delegation Complete Visit to Egypt

OW2704175991 Beijing XINHUA in English
1355 GMT 27 Apr 91

[Text] Cairo, April 27 (XINHUA)—The Chinese judicial delegation headed by Justice Minister Cai Cheng left here today for Madrid, capital of Spain after a seven-day visit to Egypt.

Its visit to Egypt came as part of a tour that will also take it to Spain and Portugal.

During its stay in Egypt, the Chinese delegation met with Egyptian Justice Minister Faruq Sayf al-Nasar and other senior judicial officials, and visited Egyptian governorates of Alexandria and Ismailia.

At the meetings the two sides exchanged experiences in the field of justice and considered ways of promoting cooperation between the two countries in the judicial field.

During his stay here Cai Cheng, who arrived on Sunday, also attended the 30th session of the Afro-Asian Advisory and Legal Committee, which was held in Cairo from April 22 to 27.

Cai Cheng chaired the previous session of the body held in Beijing last year.

Iranian Leader Denies Pro-Western 'Rumors'

OW0205031391 Beijing XINHUA in English
0021 GMT 2 May 91

["Khamene'i Denies Iranian Government Is Pro-Western (by Gao Xinghua)"]—XINHUA headline]

[Text] Tehran, May 1 (XINHUA)—Iranian supreme leader 'Ali Khamene'i today brushed aside as "rumors" the allegation that the Iranian Government, headed by President Hashemi-Rafsanjani, is pro-Western.

Addressing a group of workers and teachers on the occasion of the international labor day and the national teachers' day, Khamene'i said global arrogance (Iran's reference to the United States) spreads the rumors in the world in a bid to undermine the morale of the Moslem people.

Khamene'i made the remarks after the government has been under attack from hardline Majlis (parliament) deputies for receiving U.S. relief aid to Iraqi refugees.

A U.S. cargo plane touched down at Tehran's international airport Saturday for the first time in 11 years after

the Iranian Government announced no obstacle for any foreign country to rush aid to Iraqi refugees by using Iran's airspace and territorial waters.

However, the hardliners have demanded that the government send back the U.S. relief supplies, and Ahmad Khomeyni, son of the late Imam Khomeyni, echoed their demand today.

In an interview published by the local press, Khomeyni called the landing of the U.S. aid "obscene." "Western culture is bound to come to Iran on the U.S. military plane, and old blankets are the cheapest price for such a great risk," he said.

The Iranian Government has declared that it was spending 10 million U.S. dollars per day for the more than 1.1 million Iraqis who fled to Iran in desperate need for food, clothes, shelter and medicine.

Khamene'i, although in defense of the government's policy, stopped short of touching upon the sensitive issue of U.S. relief aid. It was widely believed that the decision to accept U.S. aid was approved by the supreme leader.

Meanwhile, an Interior Ministry official said today that Iran would return those second-hand goods which were included in the U.S. planeload of relief supplies, while retaining the new items.

In his speech Khamene'i also lashed out at the double standards applied by the West and its media toward the Shiite Moslems in southern Iraq, saying they have turned a blind eye toward the "mass slaughters" and worsening plight of those people.

Iran's official news agency IRNA reported that half a million Shiites in southern Iraq were killed by Iraqi President Saddam Hussayn's forces in a single month while more than a million displaced as refugees after their short-lived anti-government rebellion was crushed. But the figures cannot be independently confirmed.

Since the Western plan of establishing "safe havens" for Iraqi Kurds in the northern part took off ground [as received], Iran's press has been complaining about the negligence of Shiite Arabs in the south by the West and its media.

In his speech, Khamene'i also acclaimed that the banner of Islam is "flying high," but he admitted that the Islamic revolution is still lagging behind its avowed goals. He did not elaborate.

Lebanese Army Moves To Extend Authority

OW0205005691 Beijing XINHUA in English
2356 GMT 1 May 91

["Lebanon Marching Toward Peace Cautiously (by Feng Zheru and Ding Naiying)"]—XINHUA headline]

[Text] Beirut, May 1 (XINHUA)—The Lebanese regular army started as of today deploying in the Shuf Mountains at Beirut's southeast, Mount Lebanon, Kasrawan and Jubayl to its north as well as Kurah and Al-Batrun in northern Lebanon.

The move to extend the state authority to more Lebanese territory was taken after some major armed groups were convinced to abide by the April 30 deadline on dissolution of all militias and the handover of their weapons.

In light of a Cabinet decision on March 28, all the militias, be they Lebanese or otherwise, were asked to hand in their heavy- and medium-sized weapons to the Lebanese Army by the end of April.

The Shuf-based People's Liberation Army, the military wing of the Druze Progressive Socialist Party (PSP), and the Christian "Lebanese Forces" (LF), the largest militia in Lebanon, which has its headquarters in Kasrawan and Jubayl, started handing in their weapons and ammunition on April 29 and 30 respectively.

The army deployment in Mount Lebanon and part of north Lebanese provinces will be completed by June 20 in accordance with the Cabinet decision.

This is an important step toward peace and stability in the war-torn country following the completion on December 3 of the militia-free "Greater Beirut" project, through which the 650-square-kilometer area including Beirut and its environs has been under the control of the Lebanese Army.

If nothing interrupts the process, the Lebanese Government will be able to exercise authority over two-thirds of the country's soil by the end of June.

In almost 16 years of the devastating civil strife, militia groups thrived one after another in Lebanon, leaving the country out of control. About 150,000 people were killed, hundreds of thousands of others wounded and a large number of them became life-long handicapped, Lebanese Prime Minister 'Umar Karami said.

To end the civil war among the Lebanese, all armed groups must be banned and their arms surrendered to the army as stipulated by the "National Reconciliation Charter" known as the "Al-Taif Accord" which was endorsed by Lebanese parliamentarians in 1989 for ending the carnage.

"There will be no more wars in Lebanon," Karami said, after some major militias expressed readiness to abide by the Cabinet decision.

PSP Chairman Walid Jumblatt said, "after military confrontation came to an end, the country has entered into a legal and democratic struggle at the present stage."

In a radio speech to his fighters Tuesday, LF Commander Samir Ja'ja' also predicted that "new dawn is overlooking Lebanon."

Observers here believe that Lebanon's major militias, such as the LF and the PSP army, have agreed to disarm their groups and hand over their weapons because of the great pressure exercised by both Syria and the U.S.

Syrian Vice-President 'Abd-al-Halim Khaddam told Lebanese officials "not to hesitate, delay and tolerate" those who "would not comply with the decision."

U.S. Ambassador to Beirut Ryan Crocker stressed at a recent meeting with a Lebanese minister that "the U.S. and Syria have shared identical views on all issues concerning Lebanon."

He reportedly had three meetings with Samir Ja'ja' in the past few days to persuade the LF chief to give up his arms to the government.

Cautious optimism is seen among most Lebanese over the country's peace process because the pro-Iranian Hezbollah, or Party of God, and the Palestinian armed groups in Lebanon have not surrendered their arms to the national army.

These two groups have stressed the need to keep their arms so as to fight Israel in South Lebanon. So, as long as Israel remains in the south, it is quite difficult for the government to ban their arms or disband them, the observers said.

Sub-Saharan Africa

Wan Li Meets Zambian Parliamentarian

OW2704143691 Beijing XINHUA in English
0800 GMT 27 Apr 91

[Text] Beijing, April 27 (XINHUA)—China, as a member of the Inter-Parliamentary Union (IPU), is willing to play its role in realizing the IPU charter, said Wan Li, chairman of the Standing Committee of the National People's Congress (NPC), here today.

Wan Li was speaking in his meeting with F. M. Mulikita, speaker of the National Assembly of Zambia, who made a stop-over in Beijing on his way to attend the 85th IPU conference in Korea.

At the meeting, Wan Li praised Zambia for its efforts to safeguard the unity, stability and development of South African region. He said he was very happy over the achievements Zambia has made under the leadership of President Kaunda in safeguarding national independence and sovereignty, in building the country and in improving the people's living standard.

Wan Li said he appreciated the statement of President Kaunda that China and Zambia are "all-weather friends."

Wan expressed the hope that relations between China and Zambia and between their parliaments would be strengthened.

Mulikita said the Zambian and Chinese people began their contacts long before the independence of Zambia. The Zambian independence struggle drew on the experience from China's struggle against imperialism and foreign aggression, he said.

He said Zambia treasured very much its relations with China, especially the dialogue between the two parliaments. He hoped such relations would continue.

He also thanked the Chinese Government for its support and help to Zambia in the fields of communication and transport and agriculture.

Ye Fei, vice-chairman of NPC Standing Committee, hosted a luncheon in honor of the Zambian guests today.

NPC's Ye Fei Greet African Visitors

Meets Chad Delegation

OW2604053691 Beijing XINHUA in English
0457 GMT 26 Apr 91

[Text] Beijing, April 26 (XINHUA)—Ye Fei, vice-chairman of the Standing Committee of the Chinese National People's Congress, met here today a delegation from Chad.

Led by Adrien Beyom Mallo, first deputy-secretary in charge of the press and propaganda of Chad's Patriotic Salvation Movement, the delegation arrived here April 15 at the invitation of the Chinese People's Association for Friendship With Foreign Countries.

The visitors have already visited the Chinese cities of Shanghai and Guilin.

Greet Central African Envoy

OW2704111691 Beijing XINHUA in English
0728 GMT 27 Apr 91

[Text] Beijing, April 27 (XINHUA)—Ye Fei, vice-chairman of the Standing Committee of the National People's Congress, met with Sissa Le Bernard, roving ambassador of the Foreign Ministry of Central Africa, and his wife here this morning.

Bernard has come to learn about China's economic construction and social development.

The visitors arrived here April 23 at the invitation of the Chinese People's Association for Friendship With Foreign Countries. They are scheduled to leave tomorrow for a visit to Guangzhou and Shanghai.

Ivory Coast Prime Minister Receives Envoy

OW2604154391 Beijing XINHUA in English
0822 GMT 26 Apr 91

[Text] Abidjan, April 25 (XINHUA)—Alassane Ouattara, prime minister of Cote d'Ivoire, said today he was satisfied with the "high-quality" relations between his country and China.

In a meeting on Thursday with the Chinese ambassador to Cote d'Ivoire, Cai Zaidu, Ouattara said the Cote d'Ivoire and China shared very good relations in all fields, and that bilateral ties have steadily advanced since the establishment of diplomatic relations between the two countries in 1983.

Ouattara expressed gratitude for China's political support and economic assistance, particularly the help with its agriculture. China has an accumulated wealth of experience in this area, the prime minister said, adding that he hoped the two countries would intensify their cooperation in trade, agriculture, science and technology. There is great potential for still more cooperation between both sides, he noted.

Chinese Ambassador Cai Zaidu extended congratulations to Ouattara on his successful efforts to stabilize the country's economy and rectify social order since he became prime minister last November.

Ambassador Cai briefed Ouattara on the latest political and economic developments in China.

Medical Protocol Signed With Botswana

OW2504165591 Beijing XINHUA in English
1515 GMT 25 Apr 91

[By Chen Qimin and Zhang Yongxing]

[Text] Gaborone, April 25 (XINHUA)—China and Botswana today signed a medical cooperation protocol under which China will send a group of 13 specialist doctors to work in Botswana.

The protocol, valid for a period of two years, was signed here this afternoon by Chinese Ambassador to Botswana Shi Chengxun and Botswana's Permanent Secretary of Finance and Development Planning Mr. Baledzi Gaolathe.

According to the protocol, the Chinese medical team, expected to come to Botswana in June this year, will carry out medical work along with Botswana medical personnel and exchange experiences with them in medical practice.

This will be the sixth Chinese medical team to be sent to Botswana since 1980.

The 13 Chinese specialist doctors are expected to work in four hospitals in the country's capital city of Gaborone, Francistown, Serowe and Molepolole.

West Europe

French Foreign Minister Continues Visit

Addresses News Conference

OW0105125391 Beijing XINHUA Domestic Service
in Chinese 1132 GMT 1 May 91

[By reporters Li Huailin (2621 2037 2651) and Li Faquan (2621 4099 0356)]

[Text] Beijing, 1 May (XINHUA)—Roland Dumas, French Minister of State for Foreign Affairs, said here today that the relationship between France and China has a long history and the two countries share identical or similar views on many international issues.

Dumas made these remarks at a news conference held at the Hotel China this morning.

He said: France and China unanimously maintain that for the present layout of the world, a multipolar one should be established, not a world in which international affairs are dominated by a certain superpower or two superpowers.

He said: France and China also consider the United Nations a very important international organization. It is necessary to enhance its role, especially the role of the UN Security Council. The United Nations played a very big role during the period of the Gulf crisis and the Gulf War.

Touching on bilateral relations between France and China, Dumas said: As a permanent member of the UN Security Council, China is a country playing a decisive role in the world and it has great prospects for economic development. It has a great say and influence on Asian and international affairs, and is playing a very big role.

He said: France and China also have a long history of dialogue. Although this dialogue was freezed for some time, some progress has been made in the relationship recently.

Dumas said: Among the West European countries, France is China's second largest trading partner. The total amount of loans in the 1990 France-China Financial Protocol was 1.3 billion francs. This year, the two countries will sign a protocol with loans exceeding 2 billion francs.

He said: The Chinese government proposed areas of cooperation whose development will be given priority, such as energy, communications and transportation, telecommunications, automobile manufacturing industry, and so on, to the French side.

Foreign Minister Dumas said: In cultural, scientific and technological spheres, France and China have maintained a cooperative relationship for 25 years. On this basis, it is necessary for the two countries to sum up experiences, look into future for the development of cooperation, and determine the new goals of development. At present, French and Chinese working groups are making concrete plans for cultural, educational, scientific and technological exchanges between the two countries.

After the news conference, Dumas and his party left Beijing for Guangzhou by plane.

Departs 1 May

OW0105141891 Beijing XINHUA in English
1409 GMT 1 May 91

[Text] Guangzhou, May 1 (XINHUA)—French Minister of State for Foreign Affairs Roland Dumas left Guangzhou for home this evening after winding up his official visit to China.

Ye Xuanping, governor of Guangdong Province, met with Dumas and his party after they arrived here from Beijing this afternoon.

'News Analysis' of British Politics

OW0205025491 Beijing XINHUA in English
0034 GMT 2 May 91

["News Analysis: Local Elections Offer Pointer To National Poll (by Fu Quansheng)"]—XINHUA headline]

[Text] London, May 2 (XINHUA)—This year's local elections in the country amount to the biggest opinion poll that will test Prime Minister John Major's popularity since he took over power from Margaret Thatcher last November.

Today, more than 30 million British people are going to polling booths in 369 councils' town halls across the country except for London and Scotland to select some 12,000 local councillors.

It will also offer a pointer to the timing of the general election, which must be held before July next year, and to some extent will shed light to the result of the national poll.

The conservatives did extremely well at the 1983 and 1987 local elections with separate net gains of 128 and 66 local seats while the Labour Party suffered great losses.

The strong conservative showings in the 1983 and 1987 local elections persuaded former Prime Minister Margaret Thatcher to go to the country within a matter of weeks and won her second and third national victories.

But this year's local elections offer little comfort to the government as recent opinion polls have presented a pessimistic picture for the ruling Conservatives who could face an embarrassing loss in terms of the number of local council seats.

Mr. Major's premiership performance helped the once little known political figure stand high and reverse the downturn trend Mrs. Thatcher's government suffered over the last year in the opinion polls through his handling of the Gulf war.

Gulf war factor, however, soon evaporated and home issues like the poll tax and steep recession returned to the political agenda, which, being dealt with belatedly with undecisiveness, have earned Mr. Major the title of "dithering" and "wobbling" prime minister.

Meanwhile, the defeat in the Ribble Valley by-election, held right after the Gulf war frightened the Conservative politicians who saw how the extremely unpopular poll tax had cost them another stronghold, following their upset in the Eastborne by-election last November.

The by-election failure rushed the government to announce scrapping of the poll tax after several months' delay in a hope to win over the deserting public.

Last week's unveiling of a new local tax, the council tax based on property value, has to some extent alleviated public anger over the poll tax and the standing of the ruling party have made some improvement in polls.

But according to the SUNDAY TIMES, the Conservatives will still lose around 400 seats in today's local elections.

Such a heavy loss would certainly persuade Mr. Major to rule out a June election, which was previously cherished by the Conservatives, who wanted to take advantage of the victory in the Gulf war to call a "khaki election."

Some political analysts, however, believe that a snap election in June or July could still be in conservative leaders' thinking if the party could contain its losses and have a five-point lead in opinion polls.

Recent polls showed that the Conservatives were either at level pegging with Labour or trailed one or two points behind. There is still a long way to the stable five-point lead over their main rival the Labour Party.

Conservative leaders will surely check the results of the local elections and choose a most favourable time to dissolve parliament.

Some other political analysts said October might be taken into consideration as the economy at that time will make some recovery from recession with sharp fall of inflation and reduction of the interest rates, easing industrial investment and manufacturing output.

But economists said the British economy would be very slow back on track of recovery [passage as received] with hard-bitten recession and employment at that time might break the mark of three million.

If that is the case, then the general election would not be in sight until the next year.

East Europe**Czechoslovak Deputy Foreign Minister Visits****Views Relations**

LD0105174591 Prague CTK in English 1659 GMT
1 May 91

[Text] Beijing May 1 (CTK correspondent)—China plays an important role in the world community and the importance attached by Czechoslovakia to relations with

China corresponds to this, Czechoslovak Deputy Foreign Minister Martin Palous told CTK today.

At the same time, we see the political and economic aspects of these relations, said Palous who attended regular inter-ministerial consultations in the Chinese capital.

He described the economy as a priority in Czechoslovak-Chinese relations. China represents a huge market for Czechoslovakia to which it could supply its products. China is also important for us regarding economic cooperation with Asian countries, Palous said.

We did not hide it that some of our views differ, for instance on the question of human rights and the political system of an open society. At the same time, considering China's overall political situation, whether demographic or connected with its own historical experiences, we cannot disregard the Chinese argument that stability is the basic prerequisite for the development of this state, Palous said.

Eyes Human Rights

LD3004180191 Prague CTK in English 1550 GMT
30 Apr 91

[Text] Beijing April 30 (CTK Correspondent)—Czechoslovak Deputy Foreign Minister Martin Palous met here today with Liu Huaqiu, his Chinese counterpart, for wide-ranging talks on bilateral relations and current international issues. Both officials said they favoured raising regular Czechoslovak-Chinese consultations to the ministerial level.

Palous raised the issue of human rights in China, conveying Czechoslovakia's concern over the recent trials of Chinese student activists associated with the 1989 pro-democracy movement. Liu responded by explaining China's views on human rights.

Palous was also received by Foreign Minister Qian Qichen, who accepted an invitation from Czechoslovak Foreign Minister Jiri Dienstbier to visit Czechoslovakia.

Ends Visit

OW0205071291 Beijing XINHUA in English
0622 GMT 2 May 91

[Text] Beijing, May 2 (XINHUA)—Martin Palous, deputy foreign minister of Czech and Slovak [as received], wound up his visit to China and left here today.

On April 30, Chinese State Councilor and Foreign Minister Qian Qichen and Palous had a friendly conversation.

Palous, who arrived here on April 29, also held consultations with Chinese Vice-Minister of Foreign Affairs Liu Huaqiu on promoting bilateral relations and on international issues of mutual interest.

NPC's Peng Chong Receives Romanian Minister

OW2904114691 Beijing XINHUA in English
1123 GMT 29 Apr 91

[Text] Beijing, April 29 (XINHUA)—Vice-Chairman Peng Chong of the Chinese National People's Congress Standing Committee met with visiting Romanian Minister of Culture Andrei Plesu here today.

Peng briefed the visitor on how China is implementing the reform and open policy.

Plesu, who has toured Guangzhou, Shenzhen and Xian during the week-long visit, is scheduled to leave Beijing for home tonight.

Romanian Government Reshuffle, Reforms Eyed

OW3004071591 Beijing XINHUA in English
0637 GMT 30 Apr 91

[Text] Bucharest, April 29 (XINHUA)—Romanian Government made a major reshuffle today and two non-ruling party members were admitted into the cabinet for the first time.

Romanian Premier Petre Roman proposed at a separate meeting of Senate and Chamber of Deputies today that the two members from the National Liberal Party and Peasants' Party be appointed as transportation minister and Agriculture Ministry's state secretary in charge of privatization.

The Romanian official ROMPRESS News Agency reported that Eugen Dijmarescu, state minister of economic orientation, became financial minister. Defense Minister Victor Stanculescu, who was replaced by State Secretary of Defense Ministry Constantin Niculae Spiroiu, was appointed as minister of industry.

ROMPRESS said the Presidential Advisor for Civil Affairs Dan Mircea Popescu was appointed as state minister of social insurance and chairman of the National Salvation Front Stoica became the minister without portfolio.

Speaking at the National Assembly, the premier said the reshuffle is the requirement of the current situation and added that the country will continue economic reform.

However, the opposition parties such as the National Liberal Party and National Peasants' Party said the reshuffle fell far short of what people expected.

Trade Protocol for 1991 Signed With Bulgaria

OW2604155091 Beijing XINHUA in English
1452 GMT 26 Apr 91

[Text] Guangzhou, April 26 (XINHUA)—Gu Yongjiang, Chinese vice-minister of Foreign Economic Relations and Trade, held talks here today with a trade delegation from the Government of Bulgaria led by S.

Polondakov, vice-minister of Foreign Trade. The two sides signed a trade protocol for 1991 between the two countries.

May Day Celebrated in East European Countries

OW0205075691 Beijing XINHUA in English
0608 GMT 2 May 91

[Text] Beijing, May 2 (XINHUA)—People in Bulgaria, Poland, Czechoslovakia and Hungary held mass rallies on Wednesday to mark May 1st, the International Labor Day, according to reports reaching here.

Over 100,000 Bulgarians held a rally in Sofia on May Day. Socialist Party Leader Aleksandr Lilov attended the rally. After the rally, people staged demonstrations with placards in hands, reading "long live workers", "we need socialism" and "we do not need unemployment and disorder."

Some Bulgarian opposition organizations and trade unions also held rallies in Sofia on Wednesday.

On Wednesday morning, the Polish Social Democracy Party and the all-Poland Trade Unions Alliance gathered in front of the alliance building.

After Alfred Miodowicz, chairman of the alliance, addressed the rally, 10,000 participants held a demonstration to demand real freedom of the working people and reduction of unemployment.

After the demonstration, people signed a petition to the Polish President, calling for the revision of the government's economic program and improvement of people's living conditions.

Aleksandr Kwasniewski, chairman of the social democracy, former President Wojciech Jaruzelski and some former leaders of the Polish United Workers' Party also took part in the demonstration.

The Polish Socialist Party also organized a rally in central Warsaw, but the Solidarity Trade Union did not hold any celebration activities.

In Prague, Czech and Moravian Communist Party Central Committee organized a mass rally on Wednesday and President of the Party Jiri Svoboda and 60-70,000 people attended the rally.

In a speech, Svoboda appealed to the authorities to take measures to ensure people's rights of employment.

Meanwhile, in the Hungarian capital of Budapest, various trade unions and parties organized forums in the city park on Wednesday. People distributed leaflets, expressing their concern over the rise of unemployment, the reduction of industrial and agricultural production and the worsening security situation.

Latin America & Caribbean

Jiang Zemin Meets Ecuadoran Politician 27 Apr

HK2804075691 Beijing ZHONGGUO XINWEN SHE
in Chinese 0811 GMT 27 Apr 91

[Report: "Jiang Zemin Says China Is Willing to Build New International Political and Economic Order on the Basis of Five Principles"—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 27 Apr (ZHONGGUO XINWEN SHE)—This morning, CPC Central Committee General Secretary Jiang Zemin told Nicolas Issa, chairman of the Ecuadoran Democratic Left Party, and his wife that China is willing to join all Third World countries in striving to build a new international political and economic order on the basis of the five principles of peaceful coexistence and in making effort to strengthen South-South cooperation and common development.

Jiang Zemin also said: The CPC attaches importance to developing relations with the Ecuadoran Democratic Left Party. Chairman Issa's current visit to China will certainly further promote the development of the friendly and cooperative relationship between two parties and the two nations of China and Ecuador.

Jiang Zemin reiterated: China constantly holds that all countries, big and small, should be equal, and China hopes for a peaceful international environment for her national construction.

The Democratic Left Party is now the ruling party in Ecuador, and friendly relations between the CPC and the Ecuadoran Democratic Left Party were established in 1986. Issa and his wife arrived in China on 20 April for a 10-day visit at the invitation of the CPC; this is his first visit to China.

At the meeting, Issa told Jiang Zemin that his visit to China had left a deep impression on him, and the trip was one of his most important life experiences.

Issa highly praised the great achievements in China's reform and opening up. He said that he personally saw China's industrial development, social progress, and the sufficient supply of food and clothing for 1.1 billion people. The achievements proved the correctness of the CPC's leadership.

At the one-hour meeting, the host and the guest briefed each other about their respective domestic conditions, and exchanged opinions on issues of common interest.

Cuban Official Meets XINHUA Vice President

OW2704182291 Beijing XINHUA in English
1735 GMT 27 Apr 91

[Text] Havana, April 27 (XINHUA)—The relations between Cuba and China are excellent and the two countries have been wishing to further develop the

relationship, Cuban First Deputy Foreign Minister Alcibiades Hidalgo Basulto said here Friday afternoon.

During his meeting with the visiting vice president of China's official XINHUA NEWS AGENCY, Pang Bingan, Basulto said the Cuban and Chinese have always had mutual sympathy and understanding, and that their relations have been strengthened in recent years.

Both Cuba and China will continue to adhere to socialism, and they will decide whether to make necessary changes by themselves without outside interference, he said.

Trade relations are also good, the Cuban official said, and China is his country's major supplier of many important products. The two countries are studying the possibility to expand bilateral trade, as Cuba could export biotechnological and pharmaceutical products to China.

Pang arrived here on April 24 and signed a new cooperation agreement with the Cuban official news agency PRENSA LATINA on the same day.

Tibetan Chairman Greets Latin American Envoys
HK2504131391 Beijing RENMIN RIBAO in Chinese
23 Apr 91 p 4

["Dispatch" by reporter Lu Xiaofei (4151 1420 7378): "Gyaincain Norbu Meets Ambassadors of Four Countries, Answers Questions on Tibet"]

[Text] Lhasa, 22 Apr (RENMIN RIBAO)—Gyaincain Norbu, chairman of the Tibet autonomous regional people's government, met with the visiting ambassadors from Mexico, Brazil, Uruguay, and Chile, namely, Lopez Navarrete, Abdenur, Galmes Valles, and Bravo Woodhouse this evening and also answered their questions on Tibet's politics and economy.

Responding to questions about the economic construction in Tibet, Gyaincain Norbu said: Since the peaceful liberation of Tibet 40 years ago, horizontal development has not ceased. Last year, the total social output value in Tibet amounted to 2.2 billion yuan, including 1 billion yuan in total industrial and agricultural output value, while national income was 1.7 billion yuan. He also told the four ambassadors that the Fourth Session of the Fifth Autonomous Regional People's Congress to be held at the end of this month will discuss and adopt the "10-Year Plan for Development of Tibet's National Economy" as well as the "Eighth Five-Year Plan" of Tibet. They will usher Tibet into a new period of development.

The four ambassadors arrived in Lhasa on 21 April and will visit Xigaze tomorrow. They plan to stay in Tibet for one week.

Political & Social

Leaders Attend Local May Day Celebrations

OW0105192291 Beijing XINHUA Domestic Service
in Chinese 1113 GMT 1 May 91

[Text] Beijing, 1 May (XINHUA)—Today China's working class and masses of laborers joyously greet their own festival—1 May International Labor Day. All kinds of celebration activities are being held in all localities. The masses of laborers pledged to bring into play the spirit of being the masters of the country, advance in unity, and contribute to the realization of China's second-step strategic goal.

Colored flags flutter all over Beijing, the capital, today. The Great Hall of the People, Museum of Chinese Revolution, and tall buildings on the East and West Changan Boulevards are colorfully decorated for the festival. Throughout the day, admission is free at the Beijing Workers' Cultural Palace where a large poster reading "In Celebration of May Day" welcomes visitors. In the past few days, Beijing municipal leaders visited busy construction sites such as Xidan Subways and Xixiang to extend greetings to workers and join their construction efforts. Chen Xitong, state councillor and mayor of Beijing, and Zhang Baifa, executive vice mayor, arrived at the Beijing Electric Power Company early this morning to salute workers, technicians, and managerial personnel working on the frontline of a project on emergency gas supply. The municipal leaders exhorted the workers to guard against arrogance and rashness and apply science in providing good service to municipal residents. A jubilant atmosphere permeated the Shanghai Acrobatics Field located at the center of Shanghai last night. More than 1,000 representatives from various circles attended a grand gathering to celebrate the International Labor Day. Rong Yiren, vice chairman of the National People's Congress Standing Committee; Su Buqing, vice chairman of the National Committee of the Chinese People's Political Consultative Conference [CPPCC]; Wu Bangguo, secretary of the Shanghai municipal party committee; and Huang Ju, mayor of Shanghai, joined the celebration. Literary and artistic workers from both professional and amateur cultural troupes staged performances, with "Love and Rejuvenate Our Shanghai" as the main theme under four sections—"Grace," "Dedication," "Times," and "Unity." Leaders of the municipal government and the municipal trade union council visited Shanghai No. 3 Pharmaceutical Plant, Maotai Grain Store in Changning District, Shanghai No. 5 Chemical Fiber Plant, and Shanghai No. 3 Iron and Steel Plant today to convey regards to workers staying fast at duty on the holiday.

In Tianjin, the municipal party committee and the municipal government held a meeting to commend model workers yesterday. At the meeting, veteran model workers of the 1950's and 1960's presented awards to newly elected young model workers. Tianjin Municipal Second Workers' Cultural Palace sponsored a "Tianjin

Municipal Workers' May Day Gala Gathering" and "Demonstration of Cultural and Sports Activities by Workers Teams of Love-China Enterprises" today. Unique athletic competitions of workers' technical skills, drum beating by women, traditional shadow boxing, aerobic dance are performed during the demonstration. Beautiful wood engraving, calligraphy, and painting by workers indicate the high cultural standards of Tianjin's workers in the 1990's.

On the evening of 29 April, model workers and representatives of workers from various circles in the Guangzhou area and Hong Kong and Macao, totalling some 4,800, attended a grand meeting to celebrate May Day. Ye Xuanping, vice chairman of the CPPCC National Committee and governor of Guangdong; Xie Fei, secretary of the Guangdong provincial party committee; and officials of the provincial and city trade union councils and the federations of workers of Hong Kong and Macao were present at the meeting. Prior to the meeting, 106 representatives from the federations of workers of Hong Kong and Macao took part in a garden party for workers of Guangdong, Hong Kong, and Macao, as well as technical exchanges between Guangdong and Hong Kong workers.

In the ancient city of Nanjing, streets are decorated with over 100,000 potted plants, while newly built recreational facilities are open to the public in dozens of parks. On 30 April, Shen Daren, Chen Huanyou, Han Peixin, and other leading comrades of the Jiangsu provincial party committee, the provincial government, and the provincial people's congress visited large and medium-sized textile, chemical, and automobile enterprises to salute workers who continued to work on the front line of production during the holiday.

In Wuhan City, Hubei, despite a spatter of rain this morning, painting exhibitions, riddle-guessing contests, and cultural performances in Zhongnan, Donghu, and other parts attracted many visitors. Workers from all trades and professions in Wuhan attended a May Day celebration meeting at Qintai Workers' Cultural Palace in Hanyang. Earlier, a meeting to mark the 105th May Day and commend model workers was held in Hubei. Guan Guangfu, secretary of the provincial party committee, and Governor Guo Shuyan attended and spoke at the commendation meeting.

On 29 April, some 700 representatives of recipients of national medal of labor and Shandong provincial medal of labor gathered in Jinan to mark International Labor Day. Provincial and city party and government leaders joined the representatives of workers in freely discussing the excellent situation characterized by social stability and unity and economic prosperity and development. They expressed aspirations to realize the 10-Year Program and the Eighth Five-Year Plan. The Chengdu City trade union council sponsored a May Day garden party today under a large slogan "Learn From and Surpass the Advanced, Whip Up a New Upsurge in Socialist Labor

Emulation." The provincial and city trade union councils also sponsored a cultural performance to mark May Day and the 40th anniversary of the city workers' cultural palace. With fluttering colored flags, lanterns, and streamers, celebration activities are in full swing in Chengdu.

On the afternoon of 29 April, some 1,000 people from the Lanzhou area in Gansu Province held a gala gathering to mark the International Labor Day. Gu Jinchi, secretary of the Gansu Provincial CPC Committee; Li Ziqi, chairman of the provincial advisory commission; Xu Feiqing, chairman of the provincial People's Congress Standing Committee; and Jia Zhijie, governor, attended the meeting.

In spite of drizzle, tens of thousands of people attended garden parties in Beiling and four other parks in Shenyang, Liaoning this morning. Northeastern rural folk dance contests, martial arts demonstrations, dragon dances, riddle-guessing contests, kite-flying, and acrobatic performance with traditional and indigenous characteristics attracted swarms of visitors. Provincial and city leaders and 77 city model workers took part in the garden parties.

In the past few days, all kinds of May Day celebrations were also held in Shaanxi, Xinjiang, Tibet, Qinghai, Ningxia, Hainan, Guangxi, Hunan, Henan, Fujian, Zhejiang, Jiangxi, Anhui, Yunnan, Guizhou, Hebei, Shanxi, Inner Mongolia, Jilin, and Heilongjiang. Model workers were commended in various localities for their outstanding contributions to national construction.

Li Ximing Attends Tiananmen Flag-Raising

OW0105111291 Beijing XINHUA Domestic Service
in Chinese 0348 GMT 1 May 91

[By reporter Pan Shantang (3382 0810 1016)]

[Text] Beijing, 1 May (XINHUA)—A new flag-raising ceremony was held in Tiananmen Square this morning accompanied by the majestic national anthem, played by a military band, and with five-star red flags fluttering in the breeze.

At dawn break, before the morning stars had totally disappeared, some 10,000 people, including members of the young pioneers, workers, peasants, students, army-men, cadres, Hong Kong, Macao, and Taiwan compatriots, and Overseas Chinese, already filled the space by the sides of Jinshuiqiao Bridge, surrounding the pedestal of the flag pole. They remained standing in the morning breeze, waiting for the solemn moment to arrive.

As the flag-raising ceremony commenced, 38 officers and men of the Armed Police Force, in their Armed Police Force ceremonial dress, and 60 members of the Armed Police Force military band, proceeded, in a column of fours, from the inner portion of Tiananmen toward the flag pole in Tiananmen Square. After passing Jinshuiqiao Bridge, they changed to parade steps and

marched toward the national flag. By that time, all passing vehicles and pedestrians right in front of Jinshuiqiao Bridge stopped and gave way. At 0615 hours Beijing summer time, flag-raisers solemnly pressed the electric button and the five-star red flag was hoisted slowly up the newly-rebuilt 30-meter-high pole amid strains of the national anthem played by the military band. Each and every one assembled at Tiananmen Square and by the sides of Jinshuiqiao Bridge solemnly faced the rising five-star flag and made military, and other salutes.

The new flag-raising ceremony was held following the decisions of party and state leaders who took the views and suggestions of the broad masses and Overseas Chinese nationals on the original flag pole and the new flag-raising ceremony in Tiananmen Square.

In an effort to match the national flag pole in Tiananmen Square with the majestic and magnificent surrounding buildings, and to make the ceremony of raising and lowering the national flag more solemn and grand, the Beijing Municipal People's Government recently rebuilt the original flag pole and its pedestal in Tiananmen Square. With the concurrence of relevant departments, a new flag-raising-lowering ceremony is to be held beginning today.

Sun Tao and Zhou Zhiyong, both national flag-raisers from the Armed Police Force, who were charged with the responsibility of pressing the electric button to hoist the five-star red flag to the top of the pole, were unusually excited today. They said: The five-star red flag is the mark of the People's Republic of China, a symbol of the great motherland. Today, on behalf of the people of all nationalities, we hoisted the five-star red flag to a new high. Guided by the high-flying five-star red flag, the people of the entire nation, under the leadership of the party's central committee with Comrade Jiang Zemin as its nucleus and through hard struggle, we shall be able to victoriously accomplish the tasks put forward by the Seventh Plenary Session of the CPC 13th Central Committee and the various targets set by the Ten-Year Program and the Eighth Five-Year Plan for national economic and social development, adopted by the Fourth Session of the Seventh National People's Congress.

The new flag-raising ceremony has motivated hundreds of millions of people throughout the country. Learning from the newspaper some time ago that a new flag-raising ceremony would be held in Tiananmen Square this morning, Hong Xiangyu, Zhang Xiuhua, Liu Zhonghua, and Zhang Meiling, workers of the Jining Plastic Material Seventh Factory in the old revolutionary base in Shandong Province, who made use of the "May First" holiday, took a train that brought them and their children to the Beijing Railway Station by 0400 hours local time, and walked all the way up to Tiananmen Square, waiting for the solemn moment to arrive. They said: We are people from the old revolutionary base and know very well that the five-star red flag was not easily won. We should love, protect, and value it.

Among others who attended today's flag-raising ceremony were Li Ximing, member of the Political Bureau of the CPC Central Committee and secretary of the Beijing Municipal CPC Committee; Chen Xitong, state counselor and mayor of Beijing; and Luo Gan, secretary general of the State Council.

It took two minutes and seven seconds for the national flag to reach the top of the pole. At this very moment, the sun with all its shimmering rays emerged in the east. With the shines of the morning sun, the five-star red flag looked even more dazzlingly beautiful and Tiananmen Square even more magnificent.

New Rules Issued on Foreigners' Flag Use

*HK0105091991 Beijing RENMIN RIBAO in Chinese
19 Apr 91 p 4*

[Report: "Foreign Ministry Promulgates Rules Governing Hoisting of National Flag in Activities Involving Foreigners"]

[Text] "The Rules of the PRC Ministry of Foreign Affairs Governing the Hoisting of the National Flag," formulated by the relevant ministry on the basis of Clause Four of Article Two, Article Nine, and Clause Four of Article 15 of the "PRC National Flag Law," have recently been promulgated and put into practice.

The "Rules" comprise 22 clauses covering public affairs, protocol, celebrations, bilateral and multilateral exchanges, and mourning in extensive political, economic, cultural and diplomatic activities involving foreigners. The "Rules" give strict and detailed explanations and definitions of the causes, scope, occasions, norms, and ways of hoisting the national flag in activities involving foreigners; the order of precedence when the national flag is hoisted together with national flags of multiple countries; the supervisor on the occasion of hoisting the national flag when foreigners are involved; and persons authorized to explain the rules.

For example, Article Two of the "Rules" states: "The national flag should be hoisted when any of the following very important foreign personages comes to China for an official visit in his official capacity, either alone or at the head of a delegation: A state leader or deputy state leader; a government or deputy government leader; a parliamentary or deputy parliamentary speaker; a foreign minister, defense minister, commander in chief or chief of general staff; a head of a government delegation; a special envoy of a state or government leader."

Article Two explicitly indicates: "The national flag can be hoisted on the occasion of the following important international activities:

"The Chinese national flag and the national flags of relevant countries can be hoisted at the signing ceremonies of international treaties or important accords;

"The Chinese national flag and national flags of relevant countries can be hoisted at international conferences, cultural and sports activities, exhibitions, and fairs;

"The Chinese national flag and national flags of relevant countries can be simultaneously hoisted at the foundation-stone-laying, opening, and completion ceremonies of projects with foreign government economic aid, joint ventures involving Chinese and foreign investment, enterprises of cooperative business operation involving foreigners (shortened as enterprises with foreign investment hereinafter), or important celebratory activities;

"The Chinese national flag and national flags of relevant countries can be simultaneously hoisted at important celebratory activities of nongovernment organizations in bilateral and multilateral exchanges."

Explicit points for attention on hoisting the national flag at Chinese permanent diplomatic organs stationed in foreign countries, including embassies and consulates, are also written into the "Rules."

Article 14 of the "Rules" stresses: "When national flags of multiple countries are simultaneously hoisted inside Chinese territory, the PRC national flag must also be hoisted at the same time. On such occasions, only national flags of foreign countries with diplomatic relations with China are hoisted outdoors or in public places. In the case of the national flag of a country which has no diplomatic relations with China, approval of the office of foreign affairs under the provincial, autonomous regional, or municipal government must be obtained beforehand."

Article 15 states: "In Chinese territory, when the PRC national flag is hoisted alongside the national flags of multiple countries, the former must be placed in a position of honor."

Regarding foreign organs stationed in China, enterprises with foreign investment and foreign citizens hoisting foreign national flags as well as the PRC national flag, there are corresponding article and clauses written into the "Rules." For example, Article 19 stipulates: "When foreign organs stationed in China, enterprises with foreign investment and foreign citizens simultaneously hoist the PRC national flag and foreign national flags, they must place the PRC national flag in top or central position."

When enterprises with foreign investment simultaneously hoist the PRC national flag and the enterprise flag, the PRC national flag must be placed at the center, or in a higher or conspicuous position."

Dissident Worker Han Dongfang Released

*HK0205013491 Hong Kong SOUTH CHINA
MORNING POST in English 2 May 91 pp 1, 11*

[By Chris Yeung]

[Text] China's most wanted dissident worker involved with the 1989 democracy movement, Mr Han Dongfang, has been freed after 22 months in jail, the United States-based Asia Watch said.

The human rights group quoted sources as saying Mr Han, sometimes described in the West as China's Lech Walesa, was safe at home with his family after he was freed on Sunday.

And although he had been critically ill with legionnaire's disease in the past few weeks, sources said he had shown signs of recovery.

Mr Han, 28, founder and leader of the country's first independent labour union created since 1949, was on top of the list of "most wanted" dissident workers after the June 4 killings.

He turned himself into police in late June 1989, but since then had not stood trial.

The release comes amid imminent threats of an abolition of trade privileges of Chinese products in America with President Mr George Bush to decide on whether or not to renew the Most Favoured Nation status by June 3.

The fate of Mr Han has been a focus of concern among human rights groups worldwide in their campaign against abuses by the communist Government.

Analysts say by freeing Mr Han, the Beijing leadership was anxious to show a conciliatory attitude to the West that it was receptive to world concerns over human rights, which it has insisted was an "internal matter".

Yesterday, pro-democracy activists in the U.S. and Hong Kong welcomed the release of Mr Han, but said it was just a small step in the right direction.

They urged Beijing to free all dissidents.

Executive director of Asia Watch Mr Sidney Jones said: "We wholeheartedly welcome the news of Han Dongfang's release.

"But hundreds, may be thousands of other independent labour activists, dissident students, intellectuals and religious figures remain behind bars for doing nothing more than peacefully expressing their views.

"We hope it will not take a life-threatening illness or a debate on economic sanctions to move Beijing to release these others."

It added it remained unclear on whether Mr Han's release was unconditional and that all legal proceedings against him had been dropped.

Nor was it certain if his release was due to his illness.

The release could not be confirmed in Beijing as all offices were closed in Labour Day.

Asia Watch said Mr Han suffered from severe stomach ailments throughout his months in the Paoju detention centre, quoting a fellow inmate who was later released.

"At first the police said Han was pretending and refused to take him to the doctor...then the police got scared and the prison governor himself brought a doctor to see Han. Shortly afterwards, however, they put him into a small cell, separating him from other prisoners."

The group said in a statement Han was transferred to Banbuqiao detention centre in the spring of 1990, where several prominent dissidents including Wei and Xu Wenli have been held for more than a decade ago. [sentence as published]

There had been no further information on him since then, it said.

Chinese officials have also never divulged details of Mr Han's detention. A vice-president of the Supreme People's Court, Mr Duanmu Zheng, said at a press conference last month he did not know who Mr Han was.

The group said Mr Han was moved to high-security Qincheng prison in January and was held in a "dark and overcrowded cell and infectious diseases were common among the prisoners".

Mr Han was taken to hospital and diagnosed as suffering from legionnaire's disease, a highly infectious and potentially fatal lung ailment, the group said.

Mr Han and a small group of fellow workers set up the Beijing Workers' Autonomous Federation in Tiananmen Square in May 1989 at the height of the eight-week demonstrations.

Similar groups that China branded as unlawful, emerged in major cities such as Shanghai, Nanjing, Changsha, Suzhou, Xian, Hangzhou, Guangzhou, Jinan, Guizhou and Wuhan.

There was no information about the fate of other government-wanted dissident workers such as Liu Qiang, Zhao Pinlu and Li Jinjin.

A leader of the Hong Kong Alliance in Support of the Patriotic Democratic Movement in China, Mr Lau Chin-shek, said he was pleased at Mr Han's release, attributing it to his serious illness and world pressure.

But he added they would continue to fight to free all dissidents.

Vice Premier Zou Jiahua Inspects Hainan

OW0205071191 Beijing XINHUA in English
0645 GMT 2 May 91

[Text] Haikou, May 2 (XINHUA)—Hainan Province should make full use of its geological advantages to boost its economy, stressed Vice-Premier of the State Council Zou Jiahua in south China's island province.

From April 27 to May 1, Zou, together with provincial party secretary Deng Hongxun and Governor Liu Jianfeng, visited the province's economic development zone, factories and enterprises, industrial crop plantations, and the South China Research Institute of Tropical Crops, and talked with local leaders on Hainan's economic development and some other problems.

Zou pointed out the achievements of Hainan in the past three years since it was made a province, and urged the province to fully utilize tropical crops, marine resources, oil and gas resources.

Zou also pointed out that Hainan's capital construction should be directed to the need of economic development.

Vice Premier Wu Xueqian Inspects Liaoning

SK0105072691 Shenyang Liaoning Provincial Service in Mandarin 0930 GMT 30 Apr 91

[Text] Wu Xueqian, vice premier of the State Council, inspected the work of Shenyang, Dalian, Abshan, Fushun, Jinzhou, and Yingkou from 23 to 29 April.

On 29 April, Vice Premier Wu Xueqian inspected Anshan Iron and Steel Company. During his stay in Anshan Iron and Steel Company, Vice Premier visited the No.11 blast furnace, the seamless steel tube plant, and the large smelting and plating workshop. While listening to briefings given by responsible comrades of the Anshan Iron and Steel Company, Vice Premier Wu Xueqian pointed out: The state-owned large and medium-sized enterprises are the lifeblood of the national economy. Our current major work is to invigorate the state-owned large and medium-sized enterprises. We should further implement all policies of the State Council on invigorating large and medium-sized enterprises, and through import of funds and advanced technology, accelerate the technological transformation of old enterprises, readjust product mix and production set-up, raise the level of products, produce more competitive products, and enable a large group of large and medium-sized enterprises to serve the world.

During his inspection in the Dalian Economic and Technology Development Zone and the new port area of Yingkou Port, Vice Premier Wu Xueqian pointed out: Upholding the four cardinal principles is the foundation for building up the country, and upholding reforms and opening up is the way to lead the country to prosperity. We should unswervingly take economic construction as the central task, persist in reforms and opening up, make good use of the favorable conditions of opening to the outside world to further bring in funds, technology, and trained personnel, and to expand exports, successfully run the existing joint, cooperative, and foreign-funded enterprises, open up more avenues, broaden the channels to induce more foreign businessmen to make investments, and run enterprises in the development zone in an effort to accelerate the pace of opening up. It is necessary to pay attention to the import of high-technology and advanced equipment, and raise the technical level and

competitiveness of products through import of technology and equipment. Efforts should be made to manage well the existing Taiwan-funded enterprises and induce more Taiwan traders to make investment and run enterprises here in an effort to expand the economic and trade contacts between both sides of the Taiwan Strait and to advance the cause of reunifying the motherland. We should unceasingly sum up the experiences in running joint, cooperative, and foreign-funded enterprises and strengthen management. The responsible economic departments should do a good job in serving these enterprises, create a better investment climate and strive to export more and earn more foreign exchange.

During his inspection in our province, Vice Premier Wu Xueqian also visited Liaoxi-Shenyang Campaign museum in Jinzhou, the Lei Feng memorial hall in Fushun and the west open-cut mine, and heard work briefings given by the Liaoning Provincial party committee and the provincial government.

Accompanying Vice Premier Wu Xueqian to conduct inspection in Liaoning were (Wang Zhaoguo), director of the Office of Taiwan Affairs of the State Council, and other comrades.

Vice Premier Tian Jiyun Inspects Yunnan 20-30 Apr

OW0105080191 Beijing XINHUA Domestic Service in Chinese 1417 GMT 30 Apr 91

[By reporter Luo Ping (5012 5393)]

[Text] Kunming, 30 Apr (XINHUA)—During a recent inspection tour to Yunnan, Tian Jiyun, member of the CPC Central Committee's Political Bureau and vice premier of the State Council, said: Currently, we must focus agricultural development on transforming low- and medium-yield farmland and on raising per-unit yield. We should establish and improve the system of rural socialized services as part of the effort to deepen rural reforms, and promote the sound development of border trade while strengthening management.

Scenes of a busy farming season, with golden wheat fields and green rice seedling beds, can be seen everywhere in Yunnan in April. From 20 to 30 April, Tian Jiyun tirelessly traveled a distance of up to 1,000 km by car, in the company of Pu Chaozhu, secretary of the Yunnan Provincial Party Committee, and Vice Governors Bao Yongkang and Jin Renqing. He inspected agricultural and border trade development in selected areas in Dehong Dai-Jingpo Autonomous Prefecture, Dali Bai Autonomous Prefecture, Chuxiong Yi Autonomous Prefecture, Xishuangbanna Dai Autonomous Prefecture, Yuxi Prefecture, Baoshan Prefecture, and Kunming City. He visited farmlands, irrigation sites, the homes of ethnic minority people, and border trade fairs to hold cordial conversations with cadres and people. He also listened to work reports made by leading comrades from the Yunnan Provincial Party Committee and the Yunnan Provincial Government.

Tian Jiyun said: The rural situation in Yunnan Province is as excellent as that in the rest of the country. Total grain output topped 21 billion jin for two consecutive years, and the province reaped bumper harvests of edible oil, flue-cured tobacco, sugar, and other cash crops. It also scored tremendous achievements in developing agriculture and in fighting poverty. This year is expected to be another bumper harvest year for late spring crops. Summer harvesting and planting have begun, and farmland capital construction projects are being carried out in a down-to-earth manner, with active support from the broad masses.

Tian Jiyun stated: Yunnan has great potential for agricultural development. Transforming low- and medium-yield farmland and raising per-unit output are the focus and direction of Yunnan's agricultural development. At present, there is 1.5 billion mu of farmland across the nation, and of this 1 billion mu, or over 70 percent of the total acreage, is low- and medium-yield farmland. The ratio of low- and medium-yield farmland to total acreage in Yunnan is probably the same. These figures indicate that achieving self-sufficiency in grain is entirely possible if we concentrate on transforming the fundamental production conditions of low- and medium-yield farmland by building irrigation projects, launching water and soil conservation programs, harnessing small river valleys in a rational way, and popularizing scientific farming, and if we convert a sizable number of low- and medium-yield farmland into fields with high and steady output. We base our measures to increase grain output primarily on transforming low- and medium-yield farmland and on increasing per-unit yield, in order to achieve the fundamental goals of protecting the ecology and preventing the destruction of forests and grasses to reclaim land, damage to vegetation, and the loss of ecological balance. On no account shall we fall again into the vicious circle of destroying forests and grasses in order to reclaim land. We should gain an adequate understanding of this, and should work out specific measures. As we move to improve the efficiency of irrigation projects, increase per-unit output, and ease grain shortages, we should systematically and progressively reforest different plots of farmland on slopes with inclinations of 25 degrees or more in stages. In places with scarce farmland and difficult conditions, and where reforestation is impossible for the time being, we may alternate afforestation with grain production, interplant fruit crops with grain, and hold up reforestation until peasants have sufficient incomes. As long as we earnestly implement the principles of taking local conditions into consideration and comprehensively developing mountains, rivers, forests, farmland, and transportation routes, and engage in afforestation, agriculture, and animal husbandry wherever conditions are suitable, our ecological environment will gradually improve and enter a beneficial circle.

The reports by leading comrades of some prefectures and autonomous prefectures discussed peasants' misgivings as to whether the policy of implementing the household-based contract responsibility system will remain unchanged. Tian

Jiyun said: The Seventh Plenary Session of the 13th CPC Central Committee specifically noted that household-based contract responsibility, as a fundamental system, will remain unchanged for a long time to come. A product of the summation of practical experience, the system embodies the strong aspirations of 800 million peasants throughout the country, conforms to China's national conditions, and constitutes an inevitable historical development. In the past decade, we fully aroused the production enthusiasm of peasants with the help of this system, and managed to significantly develop agricultural production, bring stupendous changes to rural areas, and basically resolve the problem of feeding and clothing 1.1 billion people. In the past two years, we also relied on this fundamental system to reap bumper grain harvests for several successive years, to guarantee the supply of essential products, and to ensure social stability, while carrying out economic improvement and rectification. We believe that this system will improve continually, remain dynamic, and continue to play a tremendous role in developing agricultural production.

Tian Jiyun said: Of course, the household-based contract responsibility system has certain limitations. Some agricultural production matters cannot be handled by individual households, such as harnessing rivers, building irrigation works, and repairing bridges and roads. Some matters may be handled by individual households, although not very efficiently. These include the prevention of insects and promoting fine strains. We encourage state, collective, and household-based economic organizations to undertake these matters by setting up a socialized service network with multiple levels, channels, and operational modes covering many fields, and to gradually institutionalize and socialize scattered production and management activities. This way, we can direct many production links of the household-based system to massive socialized production, thereby maintaining the enthusiasm for implementing the system, tapping the superiorities of socialist public ownership, injecting new life into the system, and helping to strengthen the collective economy. Hence, rural economic reforms during the 1990's should focus on socialized service. Agriculture can reach a new position and level if we integrate the household-based contract responsibility system with socialized service.

Tian Jiyun said: Instituting a socialized service network is a progressive process. The establishment, refinement, and improvement of such a network hinges on the extent of collective economic strength. Therefore, all localities should take their local practical conditions into account and develop township and village-run enterprises. With the development of township enterprises and the improvement of collective finances, we can supplement agriculture with industry and alleviate peasants' financial burdens. Of course, the collective economy cannot be strengthened overnight; it must be achieved gradually. We cannot raise its efficiency artificially. More important, we cannot practice egalitarianism and transfer resources indiscriminately when strengthening it. We should take some positive actions and offer a

certain measure of assistance in loans and taxes. In particular, we should tap some new resources, adopt active but safe measures, and work in a down-to-earth and step-by-step manner. In this way, it is possible for us to move agricultural production up two more notches by the year 2000.

Speaking on border trade, Tian Jiyun said: Border trade has enormous potential. On balance, the development of border trade has been satisfactory and sound in Yunnan. There are several advantages in developing border trade. First, opening up markets in neighboring countries will introduce our products not only into neighboring countries, but also into more remote nations. This will provide us with an important avenue for economic development. Second, we can obtain some important raw materials for industrial production and agricultural means of production. This will help promote industrial and agricultural production. Third, we can increase our financial revenues. Fourth, the development of border trade will facilitate information exchanges, enhance our cadres' market concepts, and help train and improve large numbers of cadres. In a nutshell, we should develop and build our border areas, promote prosperity there, beef up border defense, foster ethnic unity, and improve our friendship with neighboring countries through border trade. Vice Premier Tian Jiyun said emphatically: We must strengthen the management of border trade, and expedite the sound development of such trade while reinforcing management. All sectors should adopt aid policies in accordance with this guiding ideology. Problems in the past, such as smuggling and drug trafficking, were not the inevitable result of border trade. These problems would have occurred even if we had not conducted border trade. However, once we develop border trade, we must pay attention to strengthening management. The development of border trade will not alter our socialist nature. A current central task is to foster a socialist economy. Economic development in border areas and improved living standards there will lay a more solid and reliable foundation for socialism, and will help us to improve the construction of spiritual civilization and more effectively resist negative and decadent elements.

Tian Jiyun said: The open doors of reform will not close. We cannot benefit from construction carried out behind closed doors. The great policy of developing border trade will not change. Changes, if any, will be designed to supplement and refine the existing policy so as to better benefit the healthy development of border trade.

Accompanying Tian Jiyun on his inspection tour were responsible comrades from the State Council's Agricultural Development Office and Special Economic Zones Office, as well as from relevant departments under the Ministry of Foreign Economic Relations and Trade.

Dalai Lama's Tibet Autonomy Claim Disputed

OW2704155891 Beijing BEIJING REVIEW
in English No 14, 8-14 Apr 91 pp 4-5

[Article by Guest Commentator Bu Wen, entitled: "The Origins of the 14th Dalai Lama"]

[Text] The British OBSERVER reported March 17, "The Dalai Lama disputes the British Foreign Office claim that Tibet is autonomous. In his opinion... (Tibet) from 1911 to 1950 had been a fully functioning state."

In making this remark, the Dalai Lama forgot his own origin and how Tenzin Gyatso, son of a peasant in China's Qinghai Province, became what he is today, the 14th Dalai Lama.

After the death of the 13th Dalai Lama in Lhasa on December 17, 1933, a soul boy, the reincarnation of the Dalai Lama, was being sought in accordance with the accustomed religious rites. At that time, three soul boys were found. According to the regulations of the Qing government (1644-1911), the chosen soul boy had to be ratified by the Qing Court. The Regulations Concerning the Administration of Tibet, formulated by the Qing government in 1792 to strengthen the administration of Tibet, clearly stipulated that after the death of the Dalai Lama or Bainqen Lama, the soul boy should be decided through the drawing of lots if more than one were found. The names of all the soul boys discovered were to be written on tags in Chinese, Manchu and Tibetan languages and put into a special gold urn. The Qing government commissioner to Tibet would draw lots from the gold urn in the presence of representatives of both ecclesiastics and secular people; the chosen tag would hold the name of the reincarnation of the Dalai Lama or Bainqen Lama. This would then be reported to the Qing government for approval. This was the system of "drawing lots from the gold urn." The gold urn used at that time and in previous times is still intact today. The reincarnation of the 13th Dalai Lama was thus chosen through the drawing of lots from the gold urn.

For this, Regent Radreng of the local Tibetan government, in the winter of 1938, wrote a report to Wu Zhongxin, chairman of the Commission for Mongolian and Tibetan Affairs of the nationalist government, then the central government. The report said, "With regard to the method of participation of the representatives sent by the central government, it has been decided by the Kasha (the local Tibetan government) that after the arrival of the three soul boys, a ceremony of drawing lots should be held and that, for the confirmation to be widely accepted, the central government should send people to participate." In the report, Radreng also said that the central government was requested to order the Qinghai provincial government to urge Buddha Keut-sang Rimpoche to accompany the Qinghai soul boy, referred to Tenzin Gyatso, the current 14th Dalai Lama, to go to Tibet. The nationalist government ordered Ma Bufang by telegram to provide the soul boy with an

armed escort for his journey to Tibet and allocated 1000,000 yuan for the escorted mission.

Tenzin Gyatso and his party set off from Xining in July 1939 and arrived in Lhasa without incident in early October. The Tibetan Kasha immediately sent a telegram to Chiang Kai-shek of the nationalist reporting their safe arrival in Lhasa and indicated that the required ceremonies, such as having the soul boy's head shaved, conferring upon him his title and having him officially installed should be held on chosen auspicious days, and that reports on each activity would be immediately sent to the central government.

Thereafter, the local Tibetan government head, Regent Radreng, reported to the central government, saying that the Qinghai soul boy had distinguished himself by his extraordinary intellect and proposed that the formality of drawing lots from the gold urn could be omitted. On January 26, 1940, in his letter to Wu Zhongxin, Regent Radreng declared that the Qinghai boy was warmly accepted as the reincarnation of the 13th Dalai Lama by the Tibetan ecclesiastics and secular people and by the upper and the lower classes. Since the masses were unanimous in their acceptance, there was no need to perform the ceremony of drawing lots from the gold urn, the soul boy should have his head shaved according to tradition and a report about the activity would be forwarded to the central government for the record. After receiving the letter from Regent Radreng, Wu Zhongxin sent a telegram the following day to the Executive Yuan of the nationalist government, then headed by Chiang Kai-shek, who in turn submitted a document on January 31 to the nationalist government, requesting the government to issue an order agreeing to omission of the confirmation ceremony, approve Tenzin Gyatso to be the 14th Dalai Lama and allocate funds for the official ceremony. On this basis, on February 3, 1940, Lin Sen, chairman of the nationalist government, issued an order by the nationalist government which read as follows:

"Order of the Nationalist Government"

The Qinghai soul boy Tenzin Gyatso having distinguished himself by his extraordinary intellect, it being established through investigation that he is the incarnate 13th Dalai Lama and the confirmation formalities having been omitted, he is allowed to succeed as the 14th Dalai Lama and the order to this effect is hereby issued."

On February 22, 1940, when the 14th Dalai Lama was officially installed, the nationalist government, in accordance with previous regulations and the request of local Tibetan government, sent Wu Zhongxin, chairman of the Commission for Mongolian and Tibetan Affairs, to attend the official installation ceremony.

The above-mentioned experience of the 14th Dalai Lama points out that the birth of the Dalai Lama as a local Tibetan leader at that time had to be reported to and granted ratification by the Central Chinese Government. It is therefore ridiculous to claim that Tibet had

been a fully functioning state from 1911 to 1950. Facts fully prove that since the Yuan Dynasty in the 13th century to 1911, after the overthrow of the Qing Dynasty in 1911, Tibet had always been under the sovereignty and administration of the Central Chinese Government.

Many other facts also prove that Tibet was a region under the administration of the Central Chinese Government between 1911 and 1950. For example, when the National Assembly (similar to a Western parliament) was convened by the nationalist government, the Tibet region, like other Chinese provinces, also sent representatives to attend the conference. According to the archives of the former nationalist government Commission For Mongolian and Tibetan Affairs, there were frequent exchanges of letters and telegrams between Tibet's Kasha and the office of the nationalist government in Tibet in regard to the dispatch of representatives in 1931, 1936, 1940 and 1946. These are all on record and supported by evidence. For example, historical archives indicate that when Regent Radreng and Dazha assumed office in succession after the death of the 13th Dalai Lama, their appointment was reported to the central government. The current Dalai Lama might not know these historical facts because he was too young at that time, but he can consult the relevant materials to have first-hand knowledge of the situation. On the basis of such historical facts, it is thus groundless for him to casually say that Tibet had been "a fully functioning state" after 1911.

Tibet CPPCC Warns Against Separatism

OW0105180691 Lhasa Tibet Television Network
in Mandarin 1200 GMT 1 May 91

[By station reporters Nian Xin, Li Guangyuan, and (Ge-sang-ni-ma); from the "Tibet News" program]

[Text] On the morning of 28 April, members attending the fourth session of the fifth regional committee of the Chinese People's Political Consultative Conference [CPPCC] began to hold group discussions on the report by Gyaincain Norbu, chairman of the regional people's government, on the Outline of the 10-Year Program and the Eighth Five-Year Plan for Economic and Social development for the Tibet Autonomous Region.

The CPPCC members freely aired their views at group discussions of the various delegations. They said: Chairman Gyaincain Norbu's report on the 10-Year Program and the Eighth Five-Year Plan for Economic and Social Development for Tibet contains a realistic evaluation of the previous situation and achievements made in Tibet. We felt greatly encouraged after hearing it. The Eighth Five-Year Plan and the 10-Year Program put forth by the report are positive, steady, and solid, and demonstrate the spirit of blazing new trail while forging ahead. The crucial problem now is to implement them. They generally agreed that consolidating and

developing political stability and unity is the basic guarantee for fulfilling the 10-Year Program and the Eighth Five-Year Plan.

The CPPCC members said: Although Tibet scored a great victory in the struggle against separatism, we should soberly remind ourselves of the sinister activities of antiseparatist elements [as heard] at home and abroad, who use the issues of nationalities, religion, and so-called human rights to split the motherland; these activities have never stopped. We should heighten our guard, and always give priority to safeguarding the motherland's reunification, opposing separatism, and consolidating and developing political stability and unity, and closely attend to the work in these fields so as to create a favorable environment for implementing the tasks laid down in the Eighth Five-Year Plan and the 10-Year Program.

They said: At present, the masses are most concerned about two things. One is whether we can boost economy, and the other is whether we can crack down on corruption and stop malpractices in all trades and professions. These two things are directly associated with the masses' trust in our party and confidence in the socialist cause. Malpractices in all trades and professions as well as corruption pose very serious problems. Without making great determination and efforts to solve them, the masses and cadres will be frustrated and lose heart. As a result, many problems will remain unsolved. In handling questions like this that concern the country's destiny and future, the party committee and the government should have a sense of urgency and make great efforts to rectify them. In the struggle against malpractices, the CPPCC should also effectively develop its role in exercising supervision.

40 Years of Improvements in Tibet Hailed

HK0205053391 Beijing RENMIN RIBAO in Chinese
21 Apr 91 pp 1, 4

[Report by staff reporter Lu Xiaofei (4151 1420 7378): "Report From the Roof of the World: An Epoch-Making 40 Years"]

[Text] Early in the morning, the boundless snowfields glittered with myriads of golden rays under the rising sun. Between the dark brown chain of hills and the greenish-yellow meadow, there unfold and join together many white highways like ribbons of satin, evoking one's meditation of things deep and remote and calling to one's mind all sorts of feelings. At the time when the Sichuan-Tibet highway and the Qinghai-Tibet highway were still "nonexistent," a folk song was very popular here: "When a girl is married to a faraway place, the track is so long that it takes 33 days to trek across three high mountains and three big rivers to reach the tent of the bridegroom," but now in the entire region of Tibet, there are 315 highways linking up 98.7 percent of counties and 77 percent of townships. Girls married a long way off no longer have to travel for months, and people

from afar paying homage to Buddhas need not trudge over a difficult journey for years.

When we sped along the highway under illuminating sunlight, countless of small towns greeted our eyes like stars scattering in the sky. The capital Lhasa, from its becoming a political and cultural center in the 7th century until 1950, only covered an area of three square km. Since its peaceful liberation 40 years ago, it has expanded by over 12-fold. At the south and east ends of Qiangtang grassland, bountiful with luxuriant water-weeds, there have emerged two important towns, Nagqu and Shiquanhe, and nomads who roved about seeking water and grass are now able to live in towns. The Yalonghe region where the Tibetan ancestors lived in a compact community is now Zetang Town with criss-crossing streets and numerous buildings.

With the extension and expansion of roads, undertakings in the fields of education, science and technology, and health have also grown. At present, there are 2,485 schools of various types, 18 science research institutes or centers, and 1,006 medical institutions in the entire region. Over the past 40 years, the state investment in Tibet's capital construction has totalled 9.8 billion yuan, with fixed assets valued at approximately 7.4 billion yuan.

A Canadian scholar called Gorenve [ge lun fu 2047 0234 1133] said: "All these roads will become the greatest pioneers of transformation in terms of economy or military." There is some truth in this remark.

In Lhasa or any city in Tibet, if you turn on a radio, television, or telex nowadays, you will get information from every quarter; if you go to a market, you can buy the latest products from Shanghai, Guangzhou, or Tianjin, and eat seasonal vegetables from the Sichuan Basin. Now, people living on the plateaus for generations may heartily savor what "extending in all directions" means.

The air route from Beijing to Lhasa opened in June 1960. Now there are four airports in Tibet, i.e. Gonggar, Damxung, Heping, and Bangda Airports. The Gonggar Airport now in use has opened its domestic flights to Beijing, Shanghai, and Guangzhou via Chengdu and international flight from Lhasa to Kathmandu, and provided chartered plane services for international tourism.

The post and telecommunications undertakings have benefited more substantially from the highways. Now there are 120 post offices, with more than 14,700 km of single-way mail routes and intercounty mail and telegraph services; automatic telephones have been set up in some counties and cities, the total volume of city telephones is 21,200; seven ground satellite receiving stations have been completed, and international and domestic long-distance automatic telephones have been put into operation. A communications network consisting of cable, wireless, satellite, and facsimile centered in Lhasa has begun to take shape.

In 1977, a 1,080 km petroleum pipeline was laid from Qinghai to Lhasa. Over the past 10 years and more, it has carried 1.5462 million tonnes of crude oil to Lhasa.

In Tibet, even nails and matches had to be bought from elsewhere 40 years ago. Now, there are 263 state and collective enterprises with over 26,400 staff and workers engaged in such industries as electricity, mining, coal, chemicals, construction materials, machinery, wool spinning, printing, leather, forestry, and food processing. The total value of industrial output in 1990 was 235 million yuan, an increase of 5.7-fold over 1959. The state carries out an incentive and supporting policy to develop national handicraft industry, whose output value in 1990 reached 40.7 million yuan, up 32.8-fold over 1959. Of the 1,600-odd products, 12 won state quality product awards, and some are on sale at home and abroad.

Xiang Yang, director of the autonomous regional economic and planning commission, said: "Besides those monumental construction projects, the valleys and meadows are also under the strong radiation of the 'roads,' with the ancient and tranquil ambience penetrated with the breath of modern and progressive civilization."

In Qiongjie valley, between the ruins of the green-tiled Dazi Palace, where ancient Tibetan kings devised strategies, and the enormous tombs of Tibetan rulers, a vast white residential area appears, giving it a new poetic flavor.

In the "Ai" valley, there are also the historical remains of the winter palace and summer palace of the small Lajiali Dynasty belonging to the descendants of Tibetan kings. Around them and the places called Xiajiang and Xialuo, where the declining imperial relatives lived in the old days, blocks of orange-red houses were recently built.

The new residence of herdsmen has an exceptional charm. The ancient Mendui nomadic tribe now settle down in new "Mendui villages." Electric power stations generated by solar and wind energy form a new landscape in the grassland of northern Tibet.

According to legend, the first tract of land opened up by the forefathers of the Tibetan nationality was in the confluence of the Yalong He and the Yarlung Zangbo Jiang, and now it is a plain where mechanization attains a relatively higher level. In 1990, Gyangze and Xigaze, situated on the bank of the Nyang Qu were among counties (cities) whose output of grain surpassed 100 million jin.

In Jiamagou, at the yearly Buddhist gathering at Jianye Monastery, thousands of farmers, dressed in brand-new woolen Tibetan costumes, gorgeous and colorful skirts, and exquisite embroidered hats, came in high spirits. They are all smiles, and not a trace of sorrow can be detected in their faces.

Nowadays, the well-known Qiega Monastery in Sangri County is still dazzlingly brilliant, and Ani's manor house has become a primary school. Contrasting the new

society with the old, the 78-year-old Father Gesangdunzhu said very excitedly: "In the old society, I ate zanba [staple food of Tibetan nationality] made of weed-seeds and qingke [highland barley grown in Tibet and Qinghai] distillers' residue. Who knows this now? There were only a few houses here in the past, but now it is a village of more than a hundred households. See, who in this village still wears patched clothes?"

Since entering the period of reform and opening up, highways have also brought to people the socialist awareness of commodities. On the ground floor of a big building at the roadside, there is a store managed by the daughter of Cirenwangdui, the owner. The store brings not only wealth to the family but also a new concept to this mountain village that has been inaccessible for a long time. The villagers have learned to peep at the outside world from this tiny store.

In the remote mountains on the south bank of Yarlung Zangbo Jiang, there are several imposing stone ditches, and one of them is named "Shengtian" meaning "triumph over nature;" in the Kaduikamai valleys on the north bank of the Nyang Qu, there are several man-made reservoirs, and one of them is called "Xingfu" meaning "happiness." These names imply that people do not just believe in the ancient religious doctrine of "submitting to the will of God," or just pray to Buddhas for happiness.

In 1990, Tibet's total output value of agriculture and animal husbandry reached a record high of 780 million yuan, an increase of 4.3-fold over 1959 when the democratic reform just began; the total output of grain in 1990 was 555,000 tonnes, up 3.57-fold over 1959. Talking about the changes, the peasants and herdsmen said: "The democratic reform distributed land to us, and reform and opening up now enable us to lead a happy life. These are the 'two golden ages' of Tibet."

Yes, traveling along the broad road for 40 years, Tibet is forging ahead at a tremendous pace in all fields. These are epoch-making 40 years! In the new golden age, Tibet will advance at an even greater speed.

WEN WEI PO Defends Human Rights in Tibet

HK0205043691 Hong Kong WEN WEI PO
in Chinese 2 May 91 p 4

["Special article" by staff reporter Yang Yung-nien (2799 3057 1628): "Previous Serfs Become Today's Masters: Reports on Human Rights From Tibet (Sixth and Last Part)"]

[Text] Last July, when Jiang Zemin, general secretary of the CPC Central Committee, inspected work in Tibet, he cordially held the hands of Raidi, permanent deputy secretary of the Tibet Regional CPC Committee and chairman of the autonomous regional committee of the Chinese People's Political Consultative Conference [CPPCC]. Jiang Zemin said to Li Zhaoxing, spokesman for the Ministry of Foreign Affairs: "To the question of what are human rights in real terms, Comrade Raidi can give the best answer from his

personal experience of changing from a serf to the second highest leader of the autonomous region." Indeed, this reporter deeply feels that the greatest and most profound change in Tibet over the past 40 years is the establishment and continuous improvement of the socialist system, which has turned the people of various nationalities from slaves to masters.

The Former Serf Who Has Become the Second Highest Regional Leader

When this reporter first visited Tibet in late 1989, I was lucky enough to have an opportunity to talk with Secretary Raidi for nearly one hour. From the conversation, I learned that Raidi was born to a poor herdsman's family in north Tibet. In his childhood, he wandered about as a beggar, worked as a little zhaba [2089 1572] with the lowest status in monasteries as a servant for some ranch owners, tribal heads, and living buddhas. He was called "Bozhe Raidi" (means "Raidi, the boy ghost"). Now, scars left by the old society remain on his body. One of his younger brothers died of hunger in the old society. In 1959, the party and the government sent a large number of children from serf families to study in the interior localities [nei di 0355 0966], and Raidi was among them. He was sent to study in the Tibetan class of the Central Political and Judicial Cadres' School in Beijing. So Raidi said: "According to my personal experience, I owe everything I have today to the Communist Party." This reporter was also told that before Tibet's peaceful liberation, the serf owners who accounted for 5 percent of Tibet's population possessed all farmland and grassland and most livestock in Tibet; after peaceful liberation and especially after the democratic reform, the people of all nationalities in Tibet won the status of master and began to have their own destiny in their own hands. At present, there are a total of 37,000 cadres of the Tibetan nationality in the autonomous region; and principal leaders of the people's congresses, governments, and CPPCC committees at various levels are all Tibetan cadres. Tibetan cadres account for more than 60 percent of the total number of cadres in Tibet, account for about 70 percent of those at the regional level, 69 percent of those at the prefectural level, and 75 percent of those at the county level. Most of these cadres were previous serfs and slaves in the old society.

Jiang Zemin Visited the Zhashilunbu Monastery

On this trip to Tibet, this reporter visited the Zhashilunbu Monastery in Xigaze City. The lamas there told me that when Jiang Zemin came to Xigaze last July, he paid an inspection visit to their monastery immediately after alighting from his plane. He summoned the prefectural and city cadres to a meeting that afternoon after visiting the monastery. This showed that the general secretary attached great importance to religion, and the lamas were proud of this, although they did not realize that this in fact reflected the Chinese leader's high respect for the Tibetan people's human rights. This reporter felt that the lamas were really glad to see that their freedom of religious belief was recognized and

respected by China's highest leader. It is regrettable that some overseas political forces always turn a blind eye to all this, and even fabricated some crazy stories through their "investigations." It is said that a British woman called Qiuli [8002 0448] slipped into Tibet by disguising herself as a tourist. There, she made a film entitled "An Investigation of the Genocide in Tibet," and accused the Chinese Government of killing more than 1.2 million Tibetans. People may ask: How could Miss Qiuli acquire such statistics? How much time did she spend? What means of transport did she use to travel across the vast territory of 1.2 million square kilometers on the Roof of the World? How many workers did she employ to conduct such a huge statistical project? What methods did she use to find out such a large number of victims? It would not be easy to verify 1.2 million cases in a well-developed area, still less would it be in Tibet where the vast territory is sparsely populated, the transport conditions are inconvenient, and the technological conditions are backward! A 76-year old man in Sweden once asked Miss Qiuli: You said that the Chinese Government killed 1.2 million Tibetan people, but according to the Encyclopedia Britannica, the population of Tibet in 1971 was 1.3 million. According to the film, some 100,000 Tibetans had fled abroad. In that case there should be no Tibetans at all in Tibet today. I do not know how Miss Qiuli would answer this question.

The Use of the Tibetan Language Is Encouraged

In 1990, the Chinese Government mobilized a large quantity of manpower, financial, and material resources to conduct a national census. The authoritative statistics announced after the census show that in 1990, the total population in Tibet was 2.196 million people. Among them, Tibetans numbered 2.09 million people and accounted for 95.46 percent of the total population; Han people numbered 81,200 and accounted for 3.7 percent. In addition, there were still people of Menba, Luoba, and Hui nationalities. Before 1950, the Tibetan population was less than 1 million. In the past 40 years, the population in Tibet increased more than 100 percent. Moreover, the previous "spoken animals"—serfs and slaves who accounted for more than 95 percent of the population, have now enjoyed the rights to manage and discuss political affairs through the people's congresses, and are now exercising their political power as masters of society. According to statistics, of the minority people's deputies, mainly Tibetan deputies, more than 95 percent of those to the county-level people's congresses, more than 82 percent of those to the regional people's congress, and most of the people's congress standing committee chairmen in the 72 counties (cities, districts) in Tibet were previous serfs and slaves in the old society.

In my view, some overseas people questioned the human rights situation in Tibet because they did not really know about the conditions in Tibet. For example, a U.S. congressman once asked the U.S. Government: Are people in Tibet allowed to study English? As this reporter knows, the Tibetan authorities always attach importance to the use of minority languages. In 1988, the People's

Congress of the Autonomous Region of Tibet formulated the "Regulations on Studying, Using, and Developing the Tibetan Language (for Trial Implementation)," and the autonomous regional government also formulated detailed rules for implementing these regulations. At present, the regional government and its subordinate departments as well as all prefectural, city, and county governments have set up their translation organs, appointed full-time translators, and ensured that both Han and Tibetan languages are used simultaneously at all meetings and in all documents and in all public places. As for the study of English, this reporter knows that the study of English has only been advocated and has never been banned in Tibet. In the Summer Palace of the Dalai Lama, this reporter personally saw young lamas studying English. Young Tibetans also have high interest in studying the Han language. The vocabulary of the Tibetan language is limited. To keep pace with social development and to master modern science and technology, it is also necessary to make use of the Han language. At present, if children can study in the interior localities, they will be regarded as a credit to their families.

Religious Freedom in Tibet To Increase

OW0105203891 Lhasa Tibet Television Network
in Mandarin 1200 GMT 30 Apr 91

[From the "Tibet News" program]

[Text] Mao Rubai, vice chairman of the autonomous regional government, granted an interview with Denmark Broadcasting Company reporter (Parson) on 29 April. Mr. (Parson) is a famous foreign affairs journalist for the company. He has been on a special reporting trip to Tibet.

Mao Rubai first extended a welcome to Mr. (Parson) on his visit to Tibet, saying: You are visiting Tibet at a time when the people of all nationalities in Tibet are looking forward to the 40th anniversary of the peaceful liberation of Tibet. I hope your visit will produce fruitful results.

Then, Mao Rubai answered questions from (Parson). On the question of freedom of religion, Mao Rubai said: In recent years, the regional government has done a great deal in revamping temples. The central and local governments appropriated a total of 61.96 million yuan from their coffers as special funds for repairing and opening 1,400 temples. In the future, the policy on freedom of religion will be further augmented and implemented.

(Parson) thanked Mao Rubai for the interview and said: Through the interview, Westerners, who have shown a keen interest in Tibetan affairs, will hear the other side of the story and find out the truth.

Ngapoi Ngawang Jigme on Tibet's Development

OW3004135991 Beijing Domestic Service
in Mandarin 2130 GMT 29 Apr 91

[From the "News and Press Review" program]

[Text] Fellow listeners, 23 May this year is the 40th anniversary of the peaceful liberation of Tibet. At our invitation, Ngapoi Ngawang Jigme, vice chairman of the standing committee of the National People's Congress, delivers a radio speech entitled: A Great Turning Point in Those Memorable Years.

Vice Chairman Ngapoi Ngawang Jigme says:

[Begin Ngapoi Ngawang Jigme recording in Tibetan, fading into Mandarin translation] The coming 23 May is the 40th anniversary of the signing between the central people's government and the Tibetan local government of the agreement, known as the 17-Point Agreement, on measures for liberating Tibet peacefully. Looking back on the progress Tibet has made on the road opened up by the agreement and those memorable days when I took part in the negotiations as the chief plenipotentiary of the former Tibetan local government and signed the agreement, I feel deeply that the 17-Point Agreement was an inevitable outcome of historical development. It reflects the common, fundamental interests and aspiration of the Tibetans and other nationalities in the country. The signing of the 17-Point Agreement carried the unity between the Han and the Tibetan nationalities and the unification of the country to a new stage of historical development, and opened up a bright future for the continued advancement of the Tibetan nationality. [end recording]

Vice Chairman Ngapoi Ngawang Jigme says: I was born in 1911 and I am exactly 80 years old now. I happen to have 40 years of experience before and after the signing of the 17-Point Agreement. During the first 40 years, Tibet was a poverty-ridden and backward area under a feudal serf system. During the subsequent 40 years, Tibet has advanced constantly along the road opened up by the 17-Point Agreement and witnessed earth-shaking changes; it is full of life, flourishing, and prospering. The sharp contrast between the new and old Tibet, and the two 40-year periods, vividly shows that in this unified, multi-national country built together by the various nationalities, the various nationalities have developed, during the long-term historical development, an interdependent and inseparable relationship. Taking the road of common development and common prosperity has become an irreversible historical trend. My 40 years of practice make me realize that only by taking the socialist road under the leadership of the CPC will Tibet have a bright future. The CPC is truly a party that works for the well-being of the Tibetan people; Chairman Mao Zedong, Premier Zhou Enlai, other proletarian revolutionaries of the older generation, and the party leadership of the second and third generation, with Deng Xiaoping and Jiang Zemin as the nucleus respectively, have all attached great importance to the development of Tibet; personally directed work in Tibet; and showed loving care for the development and prosperity of the Tibetan nationality.

Summing up my 40 years of experience, I believe that in executing the work in Tibet, the ideological line and

work method that we must constantly uphold are to have a correct and comprehensive understanding of Tibet and to proceed in all cases from Tibet's actual situation.

Vice Chairman Ngapoi Ngawang Jigme says: Since the Third Plenary Session of the 11th CPC Central Committee, the CPC has reaffirmed the ideological line of seeking truth from facts, and, in the light of Tibet's actual situation, formulated and implemented a series of special policies and flexible measures, which has greatly mobilized the initiative of the people of all nationalities across Tibet, and promoted the prosperity and development of Tibet. I am convinced that as long as we strictly implement the general and specific policies formulated for Tibet by the party Central Committee and persist in proceeding in all cases from Tibet's actual situation, we will surely score even greater successes in the various fields in Tibet.

Handicapped Tibetans Fare Better Since Liberation

OW0105023491 Beijing XINHUA in English
0134 GMT 1 May 91

[Text] Lhasa, May 1 (XINHUA)—Under serfdom in Tibet in the past, the million serfs and slaves struggled for existence on the brink of poverty, starvation and death, the handicapped people in particular, who were even more miserable.

However, great changes have taken place in the Tibet Autonomous Region over the past four decades. Former serfs and slaves, including handicapped people, have become masters of their own destiny since Tibet's peaceful liberation in 1951, and especially since its democratic reform in the early 1960s.

At present, the handicapped people here have found their place in society while scoring a new role on the Tibetan Plateau.

Losang Bandian, 23, for instance, set up a private language school, the Lhasa Gamxuan Language School, on April 1, 1987. He is both director and teacher in the school which presently has 700 students.

When he was three years old, Losang suffered from a high fever which left him with infantile paralysis.

He overcame many difficulties that other people could never imagine, and graduated with excellent marks from primary school at the age of ten.

In 1980 he took Losang Monlam, vice-present of the Tibetan Branch of the China Buddhist Association, as his teacher. He studied many classical works with meticulous effort. At the same time, he also studied the Han and English languages on his own.

"Where there is a will, there is a way," Losang Bandian said, adding, "I can not do heavy work, but if I can learn more knowledge, I can do more work for the people. I want to be a strong man in the modern society."

With state investment, the help of some teachers and his collected funds, his first secondary Tibetan language and basic English language training classes were set up on April 1, 1987.

By the end of 1990, over 2,000 people, including workers, retired personnel, lamas as well as officials and collage students were trained in the school.

He said, "now we have just purchased a set of electrical equipment for teaching. I plan to rebuild this school into a school with various kinds of teaching courses, including adult education, spare-time education for staffers and workers, and a literacy class for handicapped people."

"Though my body is handicapped, my mind and brain are not handicapped. So, I want to do more for the society especially for the handicapped," he said.

In his spare time, Losang also writes stories and poems, some of which have been published in "TIBETAN EDUCATION" "TIBETAN CULTURE" and "TIBETAN DAILY".

Losang Bandian is not an isolated case among the 146,000 handicapped people in Tibet.

Dag Sang, another middle-aged man, suffered from amyotrophy when he was 15 years old. The illness rendered his left leg useless.

But he has complete confidence in himself that he can overcome the difficulties he may encounter.

In 1984, Dag Sang was elected head of Zhuopu Township. Since then he has led the local herdsmen down the path of prosperity.

He traveled the length and breadth of the township on just one leg, visiting more than 360 households in three years.

In the light of the local conditions, in 1987 the 44-year-old official set up three mutual-help production groups which attracted 213 households. As a result, most of the local people have been lifted out of poverty.

In the case of 46-year-old Zhandui in Lhasa City, the contrast is even sharper. The former beggar used to say: "I never dreamed that I would be as I am today."

When he was a baby, his parents died one after another, and soon after, both of his legs were lost as a result of an illness. At that time, he could only prop himself up on his hands and beg from door to door.

Thanks to the peaceful liberation and democratic reform, he said, the government gave him a house, grain, cloth and daily necessities. "From the time I had my own home, I became a real man," said Zhandui with tears in his eyes.

In 1960, 16-year-old Zhandui became an apprentice in an iron and wooden tool cooperative.

In September last year, he opened his own ironware maintenance shop. He has been exempt from all state taxes and the state allows him preferential treatment.

"Thanks to the Chinese Communist Party and the regional government, I have a very happy family. Every day my wife pushes me together with our child for a walk on the street. I feel that my life is very rich," said Zhandui.

Shortage of University Teachers Studied

HK0105130291 Hong Kong TA KUNG PAO
in Chinese 22 Apr 91 p 1

["Newsletter From Beijing" by staff reporter Kung Shuang-yin (7255 7175 0603) on 21 April: "China's Higher Education's 'Stabilizing Teachers at Home' and 'Attracting Teachers From Abroad'"]

[Text] According to an article, this saying is popular in some universities and colleges: "Stabilizing the home situation before attracting those from abroad." It means that in order to attract those students who have completed overseas education to return, it is necessary to first make good arrangements for the jobs and life of medium- and high-ranking intellectuals at home.

The question of intellectuals' remuneration and conditions is always a hot topic at the annual National People's Congress [NPC] and national Chinese People's Political Consultative Conference [CPPCC]. However, for all kinds of reasons, the question has not been solved satisfactorily.

In recent years, young university and college teachers have drained away, aggravating the already existing shortage of young teachers. According to a survey conducted by the national CPPCC in 52 universities and colleges in Shanghai and Nanjing, from 1986 to 1989, 4,266 teachers quit, 16 percent of the total. This situation was also true in Beijing; for example, from 1988 to 1989, Beijing Teachers' University filled 133 teachers vacancies while 189 teachers quit. From 1981 to 1989, Qinghua University admitted 600 additional undergraduates and 900 additional graduate students to replace those who had dropped out. While during this period, 302 undergraduates and 181 graduate students dropped out. In addition, 61 teachers who had been sent abroad on public funds did not return home after their education periods. A certain old university president said: Young teachers have now been "divided by three," the first part has drained away, the second part are ready or applying to go abroad, and the third part insist on their work.

Teachers Are Unstable

The main reasons for the current instability of university and college teachers are their low salaries, poor housing conditions, qualifications and competence for their posts, etc. In the case of their housing, it is relatively common that young university and college teachers do not have apartments after their marriage or that they are waiting for apartments before getting married. For example, a famous Beijing university has more than 700 vice professors, but only half of them live in apartments with two bedrooms and one living room. More than 450 lecturers live in crowded apartments, while nearly 200 lecturers are entitled to bachelor quarters while many of them live with their family. Nevertheless, at a time when apartments are insufficient, the university has drawn up preferential conditions to attract "doctors who have completed their overseas studies" to return: Those who are willing to return will immediately be allocated an apartment with two bedrooms and one living room. However, no one had expected these measures to be publicized to the effect that young university teachers had a stronger desire to go abroad to make more money. The result was that they succeeded in attracting one returned teacher while losing three.

Suggestions on the "Salvage"

At the Seventh Beijing Municipal CPPCC's fourth meeting, which just ended, the Beijing Municipal Committee of the Jiusan Society [a political party] maintained in the name of the party that stabilizing university and college teachers was an urgent job! They also forwarded suggestions on "salvaging" the situation: increase educational investment in higher education so that it will not be less than 20 percent of the budget, and formulate laws governing educational investment; raise the starting salaries of university and college teachers, increase their bonuses for giving additional lessons, doing scientific research, and counselling, making them enjoy, as do primary and secondary school teachers, teaching allowances according to seniority; solve the housing question of young teachers; and so on.

Some people even pointed out that while formulating policies and measures to attract personnel that have completed their overseas education, they have to take into account that these policies and measures must correspond to the actual situation at home. They must not show too great a difference or contrast, and if so, it would be difficult for these policies to "stabilize teachers at home" and "attract teachers from abroad."

North Region

Economic Crime on Rise in Beijing

HK0105020491 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0730 GMT 23 Apr 91

[Report: "Number of Major Economic Criminal Cases in Beijing on the Rise"—ZHONGGUO TONGXUN SHE headline]

[Text] Beijing, 23 Apr (ZHONGGUO TONGXUN SHE)—In view of the increasing number of major economic criminal cases in Beijing, judicial organs have decided this year that while thoroughly examining and acting on such economic criminal cases as embezzlement and bribery, efforts will be focused on major ones.

An evident increase was seen in last year's number of major embezzlement and bribery cases in Beijing, which were placed on file for investigation. The number of major cases involving an amount exceeding 10,000 but under 50,000 yuan stood at 20,016; while that of extraordinary major cases involving an amount exceeding 50,000 yuan reached 59, among which there were seven extraordinary major embezzlement cases involving an amount exceeding 1 million yuan.

It is disclosed that judicial organs in Beijing exposed last year a number of criminals guilty of embezzlement and bribery, who held important posts and long succeeded in staying hidden. Among these criminals were Guan Zhicheng [4619 1807 6134], former party secretary of Beijing Steel and Iron Plant, who asked for bribes amounting to 1.51 million yuan; and Li Wenhua [2621 2429 5478], manager of Beijing Fifth Construction Company, who misappropriated 3 million Hong Kong dollars of public funds, and embezzled 330,000 yuan, 390,000 Hong Kong dollars, and \$15,000.

Last year, judicial organs in Beijing also investigated and cracked some embezzlement and bribery cases in which staff members of law enforcement departments were involved, and had them punished according to law. In addition, the judicial organs also managed to solve more embezzlement and bribery cases, which proved more difficult to investigate.

Beijing Cracks Down on Grain Speculation

OW0105094391 Beijing XINHUA Domestic Service
in Chinese 1436 GMT 30 Apr 91

[By reporter Yan Zhengguo (7051 2182 0948)]

[Text] Beijing, 30 Apr (XINHUA)—In order to guarantee a smooth price adjustment for grain and edible oil, the Beijing Municipal Industry and Commerce Bureau, in coordination with relevant departments, recently investigated and sternly dealt with three cases of illegal grain purchases, thereby safeguarding the regular supply of grain and oil in the capital.

On the afternoon of 23 April, Yang Enlai, manager of the Xiaojing Grain Shop under the Grain Management Center in Fengtai District's Liuliqiao, illegally sold 300 kg of Fuqiang flour at a price of 0.70 yuan per kg to the Yichunhe Restaurant operated and owned by Wang Xiushan. After the case was exposed, the Fengtai District Grain Bureau removed Yang Enlai from his manager post and placed him on probation for one year in his other official positions. The Fengtai District Industry and Commerce Bureau also decided to confiscate the 300 kg of flour illegally purchased by the Yichunhe Restaurant, temporarily suspend its business license, and ordered it to close the restaurant for rectification. The proceeds from the sales and the grain coupons illegally obtained by Xiaojing Grain Shop were confiscated.

Shen Yuqiang, who ran an individual household business in Yanqing County's Erdaohe Village, illegally bought 6,000 kg worth of grain coupons. In April, he illegally bought 3,000 kg of dried noodles from Dongcheng District's Donghuamen Grain Management Center for resale at high prices. On 23 April, he was arrested while trying to purchase 3,000 kg of dried noodles from the Grain Management Center. In accordance with the regulations, the administrative organ for industry and commerce confiscated the 3,000 kg of dried noodles he purchased illegally on 23 April, and imposed a fine on him. The Discipline Inspection Commission of the Yanqing County CPC Committee decided to expel Shen Yuqiang from the party. Apart from confiscating the total sales proceeds, the relevant department also imposed a fine of 50,000 yuan on Donghuamen Grain Management Center. It was learned that the public security organ had detained Shen Yuqiang and Ma Yuru from the Donghuamen Grain Management Center who was also involved in the case.

In another case, Xie Tongsheng, manager of the Beijing Agriculture University's Grain Shop under the Haidian District Northwest Grain Management Center, deposited over 1,000 kg worth of grain coupons in the shop. Since 15 March, he had been purchasing one or two bags of flour from the grain shop daily. By 12 April, he had bought 40 bags of flour totaling 1,000 kg. He kept all of them in the shop and planned to sell them at high prices later. On 23 April, he was arrested while moving the flour out of the shop. In accordance with the regulations, the Industry and Commerce Department had confiscated the flour illegally purchased by Xie Tongsheng and fined him. The Haidian District Grain Bureau also relieved him of his official duty. It also decided to confiscate the total sales proceeds of the Beijing Agricultural University's Grain Shop and fined it 50,000 yuan for illegally facilitating speculation and profiteering.

Xing Chongzhi on Current Economic Situation

SK0205083091 Shijiazhuang Hebei Provincial
Service in Mandarin 2200 GMT 1 May 91

[Text] On the afternoon of 30 April, the provincial party committee and the provincial government held a provincial forum on industrial and communications production with the participation of prefectural and city party

committee secretaries, prefectural commissioners, and city mayors. Vice Governor Ye Liansong presided over the forum. Xing Chongzhi, secretary of the provincial party committee, and Cheng Weigao, deputy secretary of the provincial party committee and governor of the province, made speeches on the current economic situation of the province and on the problems and tasks facing the province.

At the beginning of the forum, (Xing Caozhen), vice chairman of the provincial planning and economic commission, took the floor first. The title of his speech was: "Work Hard, Grasp Implementation, and Promote the Sustained, Steady, and Coordinated Development of the Province's Economy." In his speech, (Xing Caozhen) gave a brief account of the situation in the province's industrial and communications production in the first quarter. He said: In the first quarter of this year, 18 prefectures and cities in the province had all made new progress in industrial production, and such major targets as industrial production and economic efficiency of the province had all surpassed the average national levels. However, the deep-rooted contradictions in the economic sphere and several unfavorable factors hampering production from development remained; the problems of unreasonable structure, poor quality of products, numerous money-losing enterprises, and irregular circulation were still very serious; and cotton and some other raw materials were still in short supply.

To counter this, Governor Cheng Weigao demanded at the forum that we should further summon up our courage, meet difficulties head-on, strengthen subjective activity, work positively, and adopt measures to effect enhancement of all economic work. He hoped: All prefectures and cities will first have a correct judgment of their own circumstances, and compare themselves with others to find out where they lag behind. All prefectures and cities should catch sight of not only achievements but also shortcomings, and then have a good grasp of key problems. They should give different guidance to different cases, and then move forward in the overall work.

Cheng Weigao pointed out: To yield practical results in industrial production, we should first pay attention to large and medium-sized enterprises; in particular, major enterprises which earn handsome profits, which incur grave losses, which cause many stockpiled products, which consume much energy, and which are bogged down in defaults. We should give different guidance and adopt different measures for them in order to yield practical results.

Cheng Weigao said: Viewed from the present situation, the most conspicuous and critical problem in our economic work lies in the markets. The decline in efficiency, the enterprises' deficits, the shortage of funds, and the overstocking of products are all related to markets. Therefore, all prefectures and cities in the province should exert themselves in doing circulation work in line with the market situation, and should think of more ways and adopt more effective measures to readjust

markets, enliven sales, promote production, and foster a firm idea of a planned commodity economy.

Cheng Weigao stressed: We should give consideration to the overall situation, strictly enforce discipline, and strive to ensure the fulfillment of the cotton transfer task. The shortage of cotton is a very conspicuous problem in our province's industrial production this year. All prefectures and cities should strictly enforce discipline. Those small enterprises which scramble for raw materials with large enterprises and which fail to pass the provincial acceptance tests should all have their production held up. We should strictly implement the cotton procurement policy to ensure the fulfillment of the procurement task [words indistinct].

Xing Chongzhi, secretary of the provincial party committee, stressed at the forum: The relatively good situation in the first quarter of this year is inseparable from the joint efforts of the party and the people. We should cherish this fact. What is more important is that we should catch sight of existing problems, and then pay attention to various items of work in order to effect a marked enhancement in the province's industrial production. This requires us to act in a down-to-earth manner to actually solve problems existing among enterprises. We should strive to strengthen the self-development capacity of enterprises, make enterprises more adaptable to the current economic situation, and exploit the [words indistinct] of enterprises. At the same time, we should truly arouse the initiative of the working class, truly focus our energy on improving the economic efficiency and product quality, do good ideological work among the masses, enhance our spirit, and make concerted efforts to make contributions to the province's economic construction.

Speaks on Socialist Theory

SK0205075191 Shijiazhuang Hebei Provincial Service in Mandarin 2200 GMT 1 May 91

[Text] The lecturers' group of the provincial party committee has recently sponsored a discussion meeting on knotty problems in socialist theories with the participation of lecturers' groups throughout the province. Xing Chongzhi, secretary of the provincial party committee, and Wang Licheng, Standing Committee member of the provincial party committee and director of the propaganda department of the provincial party committee, attended and addressed the meeting.

Wang Qun Addresses Family Planning Forum

SK0205043391 Hohhot Inner Mongolia Regional Service in Mandarin 2200 GMT 1 May 91

[Excerpt] The autonomous regional party committee and government called together the responsible persons of various leagues and cities, who attended the fourth session of the seventh autonomous regional People's Congress, and the responsible comrades of the pertinent departments, committees, sections and bureaus of the

autonomous region to hold a forum on family planning on the afternoon of 1 May to further study and arrange our region's family planning work.

The autonomous regional leaders present at the forum were Wang Qun, Bu He, Qian Fenyong, Yang Enbo, Wuyunqimuge, Bai Enpei, Xu Lingren, Sha Tuo, Liu Zuohui and Zhao Zhihong. Zhao Zhihong chaired the forum, and Wang Qun, Bu He and Qian Fenyong spoke.

Wang Qun pointed out: Our region achieved fairly good results in family planning, and was commended by the central authorities. Judging from the overall situation, however, the region's birth rate remains very high. The current number of our population is far from being compatible with the region's economic and technological levels. To attain the three short-term goals, and lay a good foundation for achieving a fairly comfortable living standard, a strict control over population growth is an important prerequisite. Population growth concerns not only economic development but also education, public security, and other issues. Therefore, leading persons at all levels should pay attention to family planning the way they do to economic work. The entire party and all the people should be mobilized to carry out family planning work. To ensure this, the key is that party committees and governments at all levels should attach importance to it. Top party and government leaders should attend to the work personally, and conscientiously maintain their responsibilities. All leading cadres, party members, and members of the Communist Youth League should play a leading role.

Bu He emphasized: All localities should conscientiously strengthen leadership over family planning work. Top leaders of league, city, banner and county governments are persons responsible for family planning work, and party committee leaders should also take up this work. All localities should strengthen management of family planning, improve the system of responsibility for management of planned birth targets. We should fix clear population birth quotas. Meanwhile, we should do a better job in enforcing the regulations of the autonomous region on family planning work, and bring the population birth quotas under strict control. Those who practice fraud and violate law and discipline should be sternly dealt with. [passage omitted]

Nei Bichu Notes Tianjin Economic Contributions

SK3004233991 Tianjin TIANJIN RIBAO in Chinese
31 Mar 91 p 1

[Excerpts of opinions raised by Nie Bichu at a meeting held by the Tianjin municipal delegation entitled "Bring the Tianjin's Strong Points Into Play and Make Still Greater Contributions to the Country"; place and date of meeting not given]

[Text] I totally support the outline (draft) contained in the report delivered by Premier Li Peng. I am convinced that the "report" and "outline," through discussion and approval made at the session of the National People's

Congress, will further arouse and unify the people of various nationalities across the country to victoriously advance along the socialist road reflecting Chinese characteristics and to create a new situation in building modernizations.

1. The Great Achievements Scored Over the Past 10 Years Have Shown the Incomparable Correctness of the Line, Principles, and Policies Formulated Since the Third Plenary Session of the 11th CPC Central Committee.

In his report, Premier Li Peng has summarized in an all-round way the great achievements scored by the country in the 1980's and has also pointed out that the fundamental reason for these achievements lies in our country which is advancing along the road of building socialism reflecting Chinese characteristics. Of this, we have intimate and very deep knowledge. Tianjin Municipality, as elsewhere in the country, was in the best period of economic and social development in the 1980's. These 10 years were a period in which the municipality greatly reinforced the actual strength of its economy, made rapid progress in understanding science and technology and in understanding education, brought about the greatest changes to the urban appearance, benefited the people most, continuously enhanced the building of spiritual civilization, steadily consolidated and developed the political situation of unity and stability, and carried out in an overall way the programs of conducting reform and opening to the outside world. The reason why Tianjin Municipality scored such achievements in building socialist modernization is that we unservingly implemented the party's basic line of "one center" and "two basic points"; made efforts to closely integrate the central line, principles, and policies with the municipal reality; and boldly engaged in practices and exploration so as to enable people across the municipality to always maintain the mental outlook of going all out to make the municipality advance under the new situation of conducting reform and opening up to the outside world. I am convinced that under the guidance of the session's spirit, Tianjin Municipality, as elsewhere in the country, will be able to make a still greater step and will be able to win a new victory in the great cause of building socialism, conducting reform, and opening up to the outside world.

2. Bring Tianjin's Strong Points Into Full Play and Make Still Greater Contributions to the Country.

In his "report", Premier Li Peng pointed out: "The reasonable arrangements of productive forces and the coordinated development of the regional economy represent an extremely important issue in carrying out economic construction and achieving social development in the country". This inference is very correct. Tianjin Municipality is an important coastal city of industry and commerce. The construction and development conducted since the PRC's founding, and particularly since the program of conducting reform and opening up to the outside world began, have made

Tianjin Municipality possess a large number of foundations and conditions and have fostered the comprehensive strong points which can have the municipality further make progress. First, Tianjin is the northern hub of communications in the country which links the south with the north and the nation with foreign countries, and it is also a collecting and distributing center. Its suburban areas are abundant in energy and natural resources. Tianjin Port is an export and import passageway for the 16 provinces and cities in the country, has a very large hinterland, and can conduct economic and trade contacts with more than 160 countries and more than 300 harbors in the world. The annual export volume of Tianjin Port reaches \$10 million, of which more than 80 percent of export operations are services rendered by the port for Beijing Municipality and the areas of north and northwest China. Second, the municipality's technical foundation is better, and it is one of the cities in the country which is most intensive in technical forces. Third, the municipality's urban infrastructures are better, and it is one of the cities in the country which has the best investment environment. According to the initial plan, the municipal fighting targets in the coming 10 years are to show a quadruple increase calculated in terms of constant prices over the gross national product of 1980; to further improve the people's living standard on a well-off basis; to strive in the coming 10 years, or a little longer period, to build the municipality into a city which is a "comprehensive industrial base with advanced technology as well as an economic center and modernized harbor with an opening up nature and multiple functions"; to establish economic systems suitable to the new situation; and to build a socialist civilization so as to improve the quality of the national economy as a whole in the municipality.

In order to fulfill these targets, it is imperative to unswervingly enforce the program of conducting reform and opening up to the outside world, to closely integrate the work of deepening the reform drive with that of broadening the program of opening up to the outside world, to apply reform to promoting the program of opening up to the outside world, and to have the opening up policy bring along the reform drive. It is also imperative to follow the road of developing the export-oriented economy; to bring the strong points into full play; and to enforce the development strategy of regarding exports as leading, developing exports to bring along the domestic economy, having domestic production promote exports, integrating export production with the production of domestic commodities, and of regarding the work of increasing economic results as a center. The municipality's work of opening up to the outside world includes the aspects of opening up to foreign countries as well as to provinces and cities in the country. In the view of opening up to provinces and cities across the country, we should bring the central role of the multiple-function economy into full play. Tianjin is the city of the country as a whole and should achieve development in rendering services for the country as a whole, and should better serve the whole country

through development. We will further enhance lateral economic association and coordination with fraternal provinces and cities, will greet them to join in the municipal programs of construction and development, and will provide various convenience and services for fraternal provinces and cities to achieve development. The outline (draft) has pointed out: "Efforts should be made to continuously implement the state policy of establishing lateral economic associations and coordination." I contend that the implementation is very necessary. Implementing this policy is only favorable for conducting reform, for rationalizing the structure of regional industries, and for fostering and developing the form of socialist unified markets. I suggest that relevant regulations and rules, as well as specific measures for implementing this policy, should be formulated as soon as possible.

3. Earnestly Enlivening the Large and Medium-Sized Enterprises Represents the Key to Increasing Economic Results.

Premier Li Peng pointed out in his report: Further reinforcing the vigor of the state-run large and medium-sized enterprises constitutes a central link of deepening the reform drive in the economic systems. I contend that the issue in this regard has been grasped very correctly. It also means that the issue represents the sign of determining whether we have succeeded in conducting reform in the urban economic system. Tianjin, being an old industrial base, should particularly regard the issue as a prominent and pressing task. Tianjin is a city taking the processing industry as a main task. During the long run, the mandatory plans have accounted for 80 percent of the municipal economy. Most raw materials at fixed prices have been allocated, profits have been higher, and the financial revenues handed over to the state have also been great. Over the past 40 years, the municipality has made important contributions to the country. Since 1983, the municipality has incurred very large changes in its situation, and its mandatory plans have been reduced to 20 percent. The price of raw materials, fuel, and transportation has continuously risen. In addition to the repeated hikes in bank interest, the municipality's profits have been diverted on a large scale, the profits earned by enterprises have declined, and profits retained by enterprises have been few. Therefore, enterprises have maintained their production only by depending on loans. Originally Tianjin Municipality has many out-dated enterprises, their rate of depreciation is low, and their input is minimal. The enterprises of traditional processing industries still have quite a large number of dangerous and shabby workshops, out-dated equipment, backward technologies, and out-dated products. They are lacking the capability of self improvement and development. The out-dated enterprises across the municipality have reached the extent to which their technical renovations brook no delay. Meanwhile, the mechanism of state-run large and medium-sized enterprises is not flexible, their self-determination right is not enough, social tasks assumed by them are heavy, their external environment in production and operation is not broad,

and a certain problem also exists in their internal management. Therefore, enlivening the large and medium-sized enterprises has become the key to increasing economic results and realizing the targets of the second-phase strategy.

Premier Li Peng stressed in his report that from this year on, we should pay great attention and concentrate our main efforts on grasping this issue, and we should adopt effective measures to help the state-run large and medium-sized enterprises deal with the practical difficulties cropping up in their external environment and internal management. We greatly agree with grasping this issue and doing a very good job in implementing these measures while conducting our practical work. We contend that enlivening the large and medium-sized enterprises is not only a matter for industry but also of enterprises. We should also consider the task of enlivening the large and medium-sized enterprises together with the work of planning, financial affairs, tax revenues, banking, foreign trade, labor affairs, and of personnel affairs, and we should conduct coordinated reform among them. This is not only a matter of localities, but it also requires units from top to bottom across the country to cooperate with each other and to make common efforts to truly realize the targets set by the report with regard to "striving to have these enterprises obviously reinforce their vitality in a short period."

4. Improve the Work Style, Do the Work Realistically, and Vigorously Grasp Implementation.

Premier Li Peng's report is very good and the "outline (draft)" in the report is also very good. Only by vigorously implementing this outline can we enable the outline to become reality. The key to implementing the outline lies in having cadres at all levels resolutely improve their work style and conduct their work in a down-to-earth manner. Having cadres conduct their work in a down-to-earth manner not only represents a key to implementing the spirit of the Seventh Plenary Session of the 13th CPC Central Committee, but is also a guarantee for realizing the "outline". This urges us to willingly bear hardships, to be industrious in meditation, to go deep into reality, to be honest and deal with matters related to work, to solve the problems in a down-to-earth manner, and to push our work forward. In order to develop the down-to-earth work style, we should not only enhance education on ideology but also adopt necessary measures. Efforts should be made to improve the systems, to clearly define responsibilities, and to enhance supervision and inspection. We should be determined to overcome various formalisms, to reduce the number of meetings, to simplify the documents, and to concentrate our efforts on studying and dealing with the problems. Only by firmly bearing in mind at all times the purpose of serving the people wholeheartedly, and of vigorously waging a struggle for that purpose, can our cadres be able to have our cause grow and flourish and our fighting targets be certainly and successfully realized.

Northwest Region

Gu Jinchí Addresses Family Planning Forum

HK0105113091 Lanzhou Gansu Provincial Service in Mandarin 2300 GMT 28 Apr 91

[Excerpts] The provincial party committee and government held a provincial family planning work forum yesterday. [passage omitted]

All Lanzhou-based provincial party committee standing committee members, including Gu Jinchí, Jia Zhijie, Lu Kejian, Yan Haiwang, Sun Cuiping, and (Li Zilin), attended the forum.

Li Ziqi, provincial advisory committee chairman; Ma Qianqing, provincial people's congress standing committee vice chairman; Lu Ming and Li Ping, provincial vice governors; Qin Shiwei, provincial Chinese People's Political Consultative Conference committee vice chairman; (Chen Xu), provincial family planning association president; party and government responsible comrades from 14 prefectures, autonomous prefectures, and cities across the province; and responsible comrades of 28 provincial departments and bureaus also attended the forum. Family planning commission directors from 14 prefectures, autonomous prefectures, and cities also attended the forum as guests.

At the forum, Governor Jia Zhijie first relayed the spirit of the Family Planning Forum held by the party Central Committee and the State Council and the important speeches made by Comrade Jiang Zemin and Comrade Li Peng.

Provincial party committee Secretary Gu Jinchí, and Governor Jia Zhijie, delivered speeches on family planning work at the forum, in which they put forward some specific demands.

Jia Zhijie said: Leaders at all levels must clearly understand our province's rigorous population situation, foster a sense of urgency, and simultaneously grasp economic work and family planning work. He called on principal party and government leaders at all levels to personally take charge of family planning work. [passage omitted]

Lu Kejian, provincial party committee deputy secretary, presided over and delivered a speech at the forum. [passage omitted]

Provincial party committee Secretary Gu Jinchí stressed: It is necessary to make unified arrangements for economic development and population control and firmly foster the mentality of persisting in family planning for a long time to come.

Gu Jinchí said: The purpose of this forum, which is held by the provincial party committee and government and attended by all the Lanzhou-based provincial party committee standing committee members and vice provincial governors, is to let all the comrades discuss and study how we should further improve family planning work on

the basis of our existing achievements and through persistent efforts. This clearly shows what importance the provincial party committee and government have attached to this work. [passage omitted]

Gu Jinchi said: Family planning is very complex, concrete, and difficult work. It is impossible to successfully carry out family planning if we only rely on the efforts of one department or one aspect. Thereby, we must give scope to the superiority of party leadership, mobilize the whole society, heighten the consciousness of the broad masses, and enable all the people to join hands in strengthening family planning work.

Gu Jinchi added: The provincial party committee has decided to hold two standing committee meetings every year to listen to family planning work reports so as to timely study and tackle problems in this connection and to hold a family planning work forum once a year at a time when the provincial people's congress convenes to listen to the opinions of people's deputies and family planning departments. The provincial authorities have already set up a leading group to take charge of family planning work. Jia Zhijie has been appointed the group's director and Lu Kejian deputy director. In the future, the provincial party committee secretary and governor will personally take charge of family planning work. The principal leaders of party committees and governments at all levels are the principal responsible persons in charge of implementing the local population plan. [passage omitted]

Gu Jinchi also called for various mass organizations, agriculture commissions, civil affairs departments, and other departments to closely cooperate with one another and make concerted efforts to successfully carry out our province's family planning work.

Jin Jipeng Sets Out 8th 5-Year Plan Goals

HK3004102291 Xining Qinghai Provincial Service
in Mandarin 2200 GMT 27 Apr 91

[Text] While making a government work report at the fourth session of the seventh provincial people's congress, Governor Jin Jipeng said: The basic principles which were worked out by the seventh provincial party committee's sixth plenary session in line with the spirit of the CPC Central Committee's suggestions and actual local conditions, stated: During the Eighth Five-Year Plan, Qinghai's principal goals to be attained are: Persisting in making economic construction the core of our work; keeping to the policies of reform and opening up to the outside world; gradually setting the local economy into the orbit of a sound cycle while vigorously raising economic efficiency and optimizing the economic composition; achieving an annual average increase of 6 percent in the gross national product, 7.9 percent in the gross industrial output value, and 3 percent in the gross agricultural output value; the people's living standards will improve from just having enough to eat and wear to a state of leading a fairly comfortable life; residents' consumption will register an annual average increase of 3 percent; the province's total population will not exceed

4.9 million; invigorating Qinghai by applying scientific and technological achievements and developing education; promoting scientific and technological progress and developing education; improving economic management; enhancing the quality of the province's national economy as a whole; strengthening the building of spiritual civilization; further perfecting socialist democracy and legal system; strengthen unity of all nationalities; and consolidating and developing political, economic, and social stability.

Zhang Boxing Urges Curbing Population Growth

HK3005153891 Xian Shaanxi Provincial Service
in Mandarin 2330 GMT 27 Apr 91

[Excerpt] At the provincial conference on family planning jointly held by the provincial party committee and government yesterday, provincial party committee Secretary Zhang Boxing and Governor Bai Qingcai pointed out: In Shaanxi, the population situation is desperate. Placing a firm grip on family planning is a task which brooks no delay. The number one man of all levels of party committees and governments must take personal charge of the matter and share responsibilities with others.

Zhang Boxing said: Excessive population growth has become a tremendous obstacle to China's modernization construction. As compared with other provinces or regions, Shaanxi is backward economically and now is in a quite precarious situation as far as population growth is concerned. It is necessary to make the leadership at all levels and the people throughout the province fully aware of the extreme gravity of the population situation. [words indistinct]

He continued: We must mobilize the whole party and the whole people to bring population growth under control and the number one man of all levels of party committees and governments must take personal charge of the matter. We must resolutely and decisively complete this task. Comrade Bai Qingcai and I are now responsible for family planning at the provincial level and the leading cadres at lower levels must also take personal charge of the matter. All levels of authorities must see to it that authorities at the lower level accomplish assigned tasks. Cadres must be judged by their performance in this respect.

Bai Qingcai said: For the next 10 years, the provincial natural population growth rate must not exceed 1.22 percent with the total population being kept at 37.5 million. [passage omitted]

Xinjiang's Tomur Dawamat Meets Model Workers

OW0105215091 Urumqi Xinjiang Television Network
in Mandarin 1555 GMT 27 Apr 91

[From the "Xinjiang News" program]

[Text] The autonomous regional trade union council held a May Day gathering of model workers yesterday.

[Video opens with a long shot of a large conference room where about 150 people are seated at tables lining up along the walls; cutting to show a close-up shot of Tomur Dawamat reading from a script]

Entrusted by the regional party committee and the regional government, Tomur Dawamat, chairman of the autonomous region, extended May Day greetings to workers and staff members of various nationalities on all fronts throughout the region.

He said: Workers and staff members of all nationalities in Xinjiang should bring into full play the leading role of the working class in launching the campaign to learn from the advanced in the spirit of being the masters of the country and to compete with each other in performing top-rated work. They should strive to improve quality, increase variety, and raise efficiency. They should energetically propagate the selfless spirit of model workers, and bring into play their exemplary and backbone role and their role as the bridge between workers and management. They should conscientiously safeguard the motherland's unification and national unity, firmly oppose national separatism, set good examples in enhancing national unity, and strive to realize Xinjiang's economic and social development goal.

Tomur Dawamat urged trade union organizations at all levels in Xinjiang to function independently under the leadership of party committees at the corresponding level, carry out the work in all fields in a creative way, and serve workers and staff members wholeheartedly.

After the meeting, members of the Xinjing Song and Dance Troupe and Xinjiang Acrobatics Teams performed entertainment programs.

Xinjiang Launches National Unity Education Month

*OW0105201891 Beijing XINHUA Domestic Service
in Chinese 0514 GMT 30 Apr 91*

[By reporter Li Xianguo (2621 3807 0948)]

[Text] Urumqi, 30 Apr (XINHUA)—The Xinjiang Uygur Autonomous Regional Party Committee and the regional people's government recently issued a notice on launching the annual "National Unity Education Month" among the cadres and people of all nationalities in the region in May this year, in order to further consolidate the excellent situation characterized by political stability, national unity, and economic prosperity.

Xinjiang, a region inhabited by more than one ethnic group, has launched the "National Unity Education Month" in May every year since 1983, with an aim that the month-long activity will promote such education throughout the year. This activity played a major part in educating cadres of various ethnic groups to foster the Marxist concept on nationalities, enhancing their awareness of national unity, strengthening national unity, and consolidating the excellent situation in the autonomous region. Practice over the past eight years has testified that the month-long activity is an effective measure for educating cadres and people of various ethnic groups in the policy toward minority nationalities and national unity and for strengthening the work to promote national unity.

During the ninth "National Unity Education Month," the autonomous regional party committee and the regional people's government will, as in the previous years, organize through various channels cadres and people to study the Marxist theory on nationalities and the party's policy toward minority nationalities, in order to enhance the awareness of implementing the party's policy toward minority nationalities and strengthening national unity. In conjunction with the implementation of the law on autonomy for nationality regions, the regional party committee and the regional people's government will conduct a serious examination of the implementation of the policy toward minority nationalities and the work to promote national unity by all localities and units.

Taiwan Exchange Foundation Visits Mainland

OW0105060891 Beijing in Mandarin to Taiwan
1500 GMT 28 Apr 91

[By station reporters (Li Xiaoti, He Duanduan); from the "News" program]

[Text] Chen Changwen [Chen Chang-wen], vice president and concurrently secretary general of Taiwan's Foundation for Exchanges Across the Taiwan Strait [SEF], and party arrived in Beijing at 1640 on 28 April from Hong Kong by Air China Flight No. CA 102. Responsible persons from relevant departments of the Red Cross Society of China and China Travel Service Head Office met the party at the airport.

The SEF is a nongovernmental organization established in the form of a corporate body on 21 November 1990. Its charter says that SEF's goal is to coordinate and handle affairs relating to exchanges between people on the two sides of the Strait.

According to Taiwan newspaper reports, on 25 April, before coming to the mainland for the current visit, SEF was officially entrusted by the Commission for Mainland Affairs of Taiwan's Executive Yuan with handling a total of 19 categories of business, including economic, trade, travel, and civil disputes, as well as crime prevention, such as smuggling.

Mr. Chen Changwen, SEF secretary general, held a press conference at the airport. He said: The main mission of SEF's trip is to pay a courtesy call on the State Council Taiwan Affairs Office and other relevant departments, and to have a preliminary exchange of views on issues concerning the two sides of the Strait.

Chen Changwen said: [Begin recording] Our main mission is to take this opportunity to pay a courtesy call on the responsible departments on the mainland and brief them on the SEF's characteristics, function, and mission. In the course of our week's visit, we shall pay courtesy calls on, and establish communications with, the Taiwan Affairs Office of the State Council and various other relevant departments. We hope that, through this contact and collaboration, we shall be able to better handle nongovernmental exchanges between the two sides of the Strait in future. [end recording]

Chen Minzhang, president of the Red Cross Society of China, held a banquet at the International Trade Center to entertain Chen Changwen and party in the evening.

Tang Shubei on Straits Exchange Foundation Issues

Talks Continue

OW0205080991 Beijing XINHUA in English
0735 GMT 2 May 91

[Text] Beijing, May 2 (XINHUA)—Deputy Director of the Taiwan Affairs Office of the State Council Tang Shubei held a talk again this morning with the visiting

group from Taiwan's "Foundation for Exchange Across the Taiwan Strait (FEATS)" on problems involved in the development of relations between the two sides.

While in Beijing, the group has exchanged ideas with the Taiwan Affairs Office, the Ministry of Foreign Economic Relations and Trade, the Ministry of Justice, the Ministry of Communications and other departments. The exchange of views, Tang said, is very constructive.

Tang said that the exchange of views helped enhance mutual understanding between the two sides.

The two sides also discussed issues such as public security in the strait, cracking down on marine looting and smuggling, and reached common ground on some of the problems.

However, Tang believed that due to decades of division of the two sides, many things are awaiting efforts from both sides.

Five Principles Outlined

OW0105125591 Beijing in Mandarin to Taiwan
1500 GMT 29 Apr 91

[By station reporters Li Xiaoti and He Duanduan]

[Text] On 29 April, Tang Shubei, deputy director of the Taiwan Affairs Office of the State Council, outlined the five principles on handling specific issues dealing with exchanges between the two sides of the Taiwan Strait.

[Begin Tang recording] First, Taiwan is an inalienable part of China's territory. The reunification of China is the common wish and sacred mission of compatriots on both sides of the strait. Compatriots on both sides should make efforts to promote peaceful reunification of the motherland.

Second, in dealing with exchanges across the strait, it is necessary to adhere to the one China principle and oppose any form of promotion of "two Chinas," "one China, one Taiwan," "one country, two governments," or similar ideas and acts.

Third, while adhering to the one China principle, and taking into consideration the reality that different systems exist on the two sides of the strait, it is necessary to eliminate animosity, deepen understanding, increase consensus, establish mutual trust, and handle various specific issues concerning exchanges across the strait practically and rationally, as well as safeguard the just rights and interests of compatriots on both sides.

Fourth, it is necessary to promote and expand normal exchanges between compatriots on both sides, realize direct exchanges of mail, trade, and air and shipping services as soon as possible, and encourage and develop two-way exchanges in the economic, cultural, sports, scientific, technological, and academic fields.

Fifth, since many organizations and persons on both sides are devoted to promoting direct exchanges of mail, trade, and air and shipping services, as well as two-way exchanges, it is necessary to let them to play their

positive role. At the same time, it is necessary to encourage departments concerned on both sides of the strait to hold direct negotiations in proper ways and at an early date in order to solve specific problems arising from the exchanges in various fields.

These are the principles which I have put forward to Mr. Chen on handling specific issues concerning exchanges between the two sides of the strait. [end recording]

Tang Shubei proposed the principles during a meeting with a visiting Taiwan delegation led by Chen Changwen, vice president-cum-secretary general of Taiwan's Foundation for Exchanges Across the Taiwan Strait [SEF]. At a news briefing, Tang Shubei said that in many aspects, such as the one China issue, the goal of reunification, removal of hostility, expansion of exchanges between both sides of the strait, he and Mr. Chen Changwen share a common understanding.

Touching on the so-called piracy problem, he said that both mainland and Taiwan compatriots are victims. It is necessary for both sides to work together to resolve the problem.

[Begin Tang recording] I have authorized and suggested that the relevant authorities on the two sides of the strait should cooperate and take actions against this type of unlawful activity and jointly protect the security on the sea. Regrettably, there is no response from the island to this suggestion. Regarding public security on Taiwan, Taiwan compatriots can see this for themselves. As for public security on the mainland, generally speaking, it is good on the whole, although there are some lawless elements. Under the circumstances, if the authorities concerned on both sides of the strait work together at an earlier date, I believe the chances of solving some of the problems are better. Regarding plundering on the sea, mainland compatriots as well as Taiwan compatriots are both victims. Therefore, it is the responsibility of both sides to work together to tackle the problem. [end recording]

Tang Shubei said that this is a preliminary exchange of views today. More exchanges of views will follow in the future.

Prior to the briefing, Tang Shubei told Chen Changwen that the Red Cross Society of China worked very hard on inviting SEF to visit the mainland. Chen Changwen expressed appreciation for the efforts.

Fujian Investment Zones for Taiwanese Progressing

OW0205043791 Beijing XINHUA in English
0221 GMT 2 May 91

[Text] Xiamen, May 2 (XINHUA)—Construction of the Haicang and Xinglin investment zones for Taiwan businessmen are now underway in east China's Fujian Province.

Haicang, located to the southwest of Xiamen, an open coastal city, covers an area of 66.7 square kilometers. It was listed as an investment zone for Taiwan businessmen in May, 1989.

To provide a favorable investment environment for Taiwanese businessmen, the local government extended great efforts to the construction of basic facilities.

At present, the first phase project of the construction of a residential area, covering 66 hectares, is in full swing. Construction of a group of basic facilities involving irrigation and drainage, water and electricity supplies and communications, is expected to be finished by the end of June. Apartments with a combined total floor space of 250,000 square meters will be completed by the end of the year.

Meanwhile, a first grade highway from Haicang to Xin'an village in Xinglin is expected to open to traffic by the end of June.

The Xinglin investment zone for Taiwanese businessmen, with an area of 65 square kilometers, is closely connected with the Haicang investment zone.

In 1958, the Xiamen City government built more than a dozen enterprises involving textiles, chemicals and sugar-making in Xinglin, making it one of the key industrial bases of Xiamen City.

In 1988, Xinglin's industrial output value accounted for 25 percent of Xiamen City's total.

To date, more than 500 Taiwanese businessmen have visited Xinglin and signed contracts regarding 68 investment projects, 24 of which have gone into official production.

A group of projects, including the expansion of the Xinglin water supply plant, a heating supply project with an investment of 13 million yuan, highways around the city, highways along the coast line and an overpass, are currently under construction.

SEF Envoy Comments on Beijing Visit

HK0205113491 Hong Kong AFP in English 1120 GMT
2 May 91

[Text] Beijing, May 2 (AFP)—A Taiwan envoy said here Thursday he had failed to set up a formal channel of communication with the Chinese government.

"We agreed that conditions are not mature enough yet to set up offices within the jurisdiction of the respective parties," said Chen Chang-ven, secretary general of Taiwan's semi-official Straits Exchange Foundation [SEF].

Mr. Chen arrived here Sunday with a mandate from the Taipei government to set up a link across the Taiwan Strait after a 42-year estrangement with the communist government in Beijing.

"We have at least established some sort of a link," he said of talks with officials here. "We will get in touch with them and vice versa. We cannot avoid this."

He added that the two sides agreed not to set up offices in Hong Kong to promote communication.

Mr. Chen met Thursday with Tang Shubei, deputy director of the Taiwan Affairs Office under the State Council. He was to pay a courtesy call on the office's director, Wang Zhaoguo, before leaving Saturday.

Mr. Tang said the Straits Exchange Foundation was welcome to contact Chinese ministries directly with prior notification to the Taiwan Affairs Office, Mr. Chen said.

Taiwan sources said the two men also discussed public security problems in the Taiwan Strait, including piracy, smuggling and the illegal entry of mainlanders into Taiwan.

Mr. Tang was quoted as saying he hoped Taiwan would open its labor market to mainland workers to help alleviate a labor shortage on the island and the problem of illegal entry.

He also suggested that the two sides work together to attack gangs that smuggle people into Taiwan, the sources said.

The official Xinhua news agency quoted Mr. Tang as saying that the exchange of views had helped enhance understanding between the two sides.

"Due to decades of division of the two sides, many things are awaiting efforts from both sides," he was quoted as saying.

While here, Mr. Chen and his delegation met Mainland Chinese economic, trade, judicial and cultural officials.

Mr. Chen's visit coincided with Taiwan's historic announcement Tuesday that it was lifting a formal state of emergency and would recognize Beijing's control over Mainland China.

Taiwan President Lee Teng-hui said Taipei would no longer consider China's ruling communists a "rebellious

group" and would refer to them as "the mainland authorities" or the "Chinese communist authorities."

Beijing has issued no response so far to the announcement.

China was split in 1949 when the communist army forced Chiang Kai-shek and his Kuomintang (Nationalist) party to flee the mainland and take refuge on Taiwan.

The two sides have technically remained at war since then, and both claim to be the government of one China including both the mainland and Taiwan.

Most foreign countries follow a one-China policy that recognizes Beijing's communist government as the country's representative.

Council Regrets United Front Strategy

OW0205114691 Taipei CNA in English 0806 GMT
2 May 91

[Text] Taipei, May 2 (CNA)—The Republic of China [ROC], expressing deep regret yesterday over Peking's ignoring the "concrete" problems that are arising from current cross-straits exchanges, complained that mainland authorities were continuing instead to use its united front strategy against Taiwan.

In its first official comment on Peking's latest "five principles" in handling cross-straits affairs, the cabinet-level Mainland Affairs Council (MAC) said Peking still fails to show sincerity and to deal with cross-straits exchanges in a pragmatic and realistic manner.

MAC pointed out that the "five principles", announced by Tang Shu-bei, deputy director of Mainland China's Taiwan Affairs Office (TAO), during his April 29 meeting with Taipei's Straits Exchange Foundation (SEF) delegation, are based on Peking's old "one country, two systems" scheme which denies the ROC's status as a political entity and downgrades it to a local government.

Peking's "five principles" are that Taiwan is an inseparable part of China and unification is a sacred mission of Chinese people on both sides of the Taiwan Straits; both sides should stick to the one-China formula; under the principle of "one China," the two sides should work to lessen hostility, promote understanding and resolve issues in the best interests of the people; opening direct postal service, transportation and trade; and increasing exchanges on economic development, culture, sports, science and technology and academic research.

The council said China's reunification would promote the well-being of the entire Chinese nation but cannot be achieved overnight. The ROC Government has sincerely promoted cross-straits exchanges on a step-by-step basis since it lifted martial law four years ago. Taipei has permitted its citizens to visit their mainland relatives, permitted "indirect" trade and investment across the Taiwan Straits and formed its National Unification

Council, Mainland Affairs Council and the Straits Exchange Foundation to deal with mainland affairs.

The Republic of China has taken further initiatives to demonstrate its sincerity and determination to promote China's reunification by formally ending its 43-year "state of war" with the mainland and by recognizing the Chinese Communists as de facto rulers of the mainland, MAC continued.

The council said the ROC's National Unification Guidelines state clearly that both Taiwan and the mainland are Chinese territories; Peking, by contrast, only mentions that "Taiwan is an inalienable part of China," reflecting Peking's "bullying" attitude towards Taipei.

MAC said it appreciates Peking's willingness to host the current SEF visit, but regreted its deliberate downgrading of SEF as the sole organization officially authorized by the ROC Government to handle cross-strait exchanges.

Although Peking said it will continue to collaborate with other Taiwan associations to promote the opening of direct cross-strait trade, mail and transportation links, MAC stressed it will not accept any agreements reached between Peking and unauthorized Taiwan organizations on "any affairs related to public authorities."

MAC reiterated that direct trade, shipping and mail links between Taiwan and the mainland are medium-range goals set forth in the National Unification Guidelines and that the ROC will not consider such things until both sides trust each other and the first-stage exchanges have proven successful.

MAC again urged Peking to show its good will and sincerity by dealing with Taipei on principles of "equality and reciprocity" in order to promote eventual national unification.

Minister Reiterates Cross-Strait Shipping Stance

OW0105114591 Taipei CNA in English 0828 GMT
1 May 91

[Text] Taipei, May 1 (CNA)—The Republic of China will never consider direct transportation links across the Taiwan Straits until Peking positively responds to Taipei's "open-door" policy towards cross-strait civilian exchanges, acting Communications Minister Ma Chen-fang reaffirmed Wednesday.

Ma was commenting on a repeated Peking call for direct regular shipping service between Taiwan and the mainland to facilitate cross-strait travel.

Ma reiterated that direct cross-strait transportation links are a medium-range goal set forth in the national unification guidelines. The government's current priorities are to boost academic, cultural, and commercial exchanges on a reciprocal basis with a view to increasing mutual understanding and reduce animosity between the two sides of the straits, he added.

Ma denied that the southwestern Taiwan port of Anping will be used for future cross-strait shipping. He stressed that the port is being expanded to accommodate the needs of the current six-year national development plan. It has nothing to do with the cross-strait shipping links, he remarked.

Official Predicts More Exchanges With Mainland

OW0205105491 Taipei CNA in English 0812 GMT
2 May 91

[Text] Taipei, May 2 (CNA)—Taipei's termination of the "Period of Communist Rebellion" indicates that it will promote two-way exchanges between people on both sides of the Taiwan Straits, an influential figure said yesterday.

C.V. Chen, secretary general of Taipei's Straits Exchange Foundation, currently in Peking for a historic first round of talks with Chinese communist leaders, said President Li Teng-hui's April 30 announcement is a clear indication of Taiwan's "good will" toward the mainland.

Chen was recognized by Taiwan tourists visiting the Great Wall near Peking, who praised his dedication to "doing things good for the country."

Replying to questions from mainland reporters, Chen said more time will be needed to revise laws in conjunction with the termination of the 43-year-old "Temporary Provisions System."

Then more two-way civilian exchanges will be allowed, he predicted. Taiwan's current restrictions on cross-strait exchanges do not at all show "a lack of good will," Chen noted.

He said if Communist China insists on downgrading the Republic of China on Taiwan to a local government status, it will create "unnecessary misunderstanding" between the two sides of the Taiwan Straits, particularly at this "sensitive moment."

He suggested that both sides begin cooperation by pragmatically tackling problems in order to benefit people on both sides while avoiding "untractable problems" resulting from more than 40 years of separation.

If both must immediately confront "currently impossible" knotty political issues, then it will be difficult to continue cross-strait exchanges, he said.

If Peking refrains from isolating Taiwan internationally, that will "best serve the interests of both sides" until they can be united, Chen reasoned.

He reiterated that there is only one China, which will be whole only when the mainland and Taiwan have been unified.

Interior Minister on Visits by Mainland Chinese

*OW0105114291 Taipei CNA in English 0838 GMT
1 May 91*

[Text] Taipei, May 1 (CNA)—Interior Minister Hsu Shui-teh said Tuesday that applications by Mainland Chinese to visit Taiwan will be handled according to the rules on relations between people on the two sides of the Taiwan Strait, which are awaiting Legislative Yuan approval.

Hsu said the approval of such applications will also depend on "the extent of the other side's animosity toward us." Government agencies will adjust their standards "at appropriate times," he added.

Chief Prosecutor Chen Han of the Prosecutor's Office of the Taiwan High Court said the prosecution will still follow the law and investigate those communists who enter Taiwan.

Chen said President Li Teng-hui's announcement ending the Period of Communist Rebellion does not mean that judicial authorities will no longer pursue sedition cases.

Justice Minister Lu Yu-wen said that after the rules are approved by the legislature, prosecution authorities will not indict communists who declare their status to the authorities.

But those suspected of violating sedition laws will be indicted according to the criminal law, Lu added.

Taiwan high court statistics show that 102 Chinese communists have come to Taiwan to visit their families or to settle here. They were not indicted because they had declared their status to the government.

Mongolia-Tibet Commission Defends Role

*OW0205104191 Taipei CNA in English 0850 GMT
2 May 91*

[Text] Taipei, May 2 (CNA)—Wu Hua-peng, chairman of the Mongolian and Tibetan Affairs Commission (MTAC), said today his cabinet-level agency is needed despite any possible future change in policy on Outer Mongolia.

In answer to a question by Legislator Tsai Pi-huang, Wu said MTAC's jurisdiction covers Inner Mongolia and Tibet, both integral parts of the Republic of China's territory.

According to the Constitution, Outer Mongolia, Inner Mongolia and Tibet are autonomous frontier regions of the Republic of China. Tsai raised the question of Outer Mongolia at the Legislative Yuan, because President Li Teng-hui said at a press meeting Tuesday Ulaanbataar has been "independent" in effect for years.

"As MTAC deals with affairs in Inner Mongolia and Tibet as well," Wu said, "It has more than enough justification for remaining a cabinet-level agency."

Tsai and other lawmakers have been urging the Executive Yuan to phase out MTAC. Tsai called for a large cut in the MTAC budget for fiscal year 1992, which starts July 1 this year.

Taipei's Mongolia policy will remain unchanged, an MTAC spokesman said. "It remains the same," MTAC Chief Secretary Chen Hsiao-hsien pointed out, "unless the constitution is amended by the new National Assembly, which will be elected at the end of this year."

Article 4 of the constitution runs: "The territory of the Republic of China according to its existing national boundaries shall not be altered except by resolution of the National Assembly."

Rewards for Defecting Mainland Soldiers Dropped

*OW0205105091 Taipei CNA in English 0845 GMT
2 May 91*

[Text] Taipei, May 2 (CNA)—The Ministry of National Defense yesterday canceled three-decade old measures encouraging Chinese communist soldiers to defect to the Republic of China.

The move, believed to be conducive to easing tensions across the Taiwan Straits, was taken in tandem with the government's mainland policy which calls for peaceful reunification of China, a spokesman said.

From now on, a ministry official explained, mainland soldiers and officers defecting to Taiwan will not be given gold or cash but their livelihood will be assured.

Fifteen Chinese Communist pilots have defected to the Republic of China in 12 military and civilian aircraft since the measures were first adopted in 1958.

Hong Kong Visa Ban on KMT Officials Assailed

*HK3004052391 Hong Kong SOUTH CHINA
MORNING POST in English 30 Apr 91 p 1*

[By Willy Wo-lap Lam in Taipei]

[Text] Taipei might take "appropriate measures" in retaliation against Hong Kong Government's long-standing policy of not allowing senior Kuomintang officials to come to the territory, a government spokesman said yesterday.

Dr Shaw Yu-ming lashed out at the "extremely unfriendly and disgusting" decision to deny entry to the head of the Executive Yuan's Hong Kong and Macao Affairs Department, Mr Li Wei-lien, for the opening of the Taipei Trade Centre.

"The centre symbolises our determination to stay in Hong Kong as long as we can, to do as much as we can for the people of Hong Kong and Macao," he said.

He said Taipei was disgusted because Taiwan residents had boosted the tourist trade in Hong Kong and the

territory had benefited tremendously by being the "middle man" in indirect trade between the mainland and Taiwan.

"We will continue to examine the issue," he said.

"If such unfriendly treatment is continued, our relationship will be seriously damaged and we will take appropriate measures as a way to express our displeasure."

Environment Chief Meets U.S. EPA Officials

*OW0105164991 Taipei CNA in English 1445 GMT
1 May 91*

[Text] Washington, April 30 (CNA)—Dr. Eugene Chien [Chien Yu-hsin], administrator of the Republic of China's [ROC's] Environmental Protection Administration, Tuesday met with officials of the U.S. Environmental Protection Agency [EPA] to discuss cooperative projects on environmental protection.

Under a previously-agreed ROC-U.S. guideline for a cooperative program in environmental protection, specialists from both sides will jointly conduct a study to set up the standards and procedures for checking motor vehicle emission for the purpose of reducing air pollution in Taiwan, Chien said.

Chien said his agency will ask its American counterpart to supply technical assistance to help Taiwan resolve the problems of water pollution, management of solid waste, toxic substances, noise control, and the environment monitoring system.

In a press briefing Tuesday morning, Chien welcomed American companies to bid for contracts in the ROC's six-year national development plan.

During fiscal years 1991-97, he said, the environmental protection investments by the government, state-owned enterprises, and private sectors in the Republic of China will amount to U.S.\$36 billion.

While here, Dr. Chien also called on Senator Quentin Burdick (D-ND) to exchange views on environmental protection. He will leave here for Los Angeles Wednesday morning.

Taipei, U.S. To Hold Monetary Talks

*OW0105180291 Taipei International Service
in English 0200 GMT 30 Apr 91*

[Text] The Security Exchange Commission (SEC) stated on Monday that ROC [Republic of China]-U.S. talks on monetary issues will not be one in which the ROC tries to stall on the issue of liberalization. The SEC said that the ROC is going into the talks looking for opportunities for cooperation in international finance.

The monetary negotiations will start on 1 May in Washington D.C. A local SEC official said that, in the past year, the ROC has made great strides, pointing to the liberalization of margin trading here, the allowing of

foreign brokerages to enter the market and better liquidity. The official said that the U.S. will no longer be able to use this issue as point, saying that the ROC market has not been liberalized.

During the negotiations, it is expected that further talks about liberalization will be held and the ROC will seek assistance from the U.S. in entering international monetary markets and try to find opportunities for cooperation.

Trade Grows With European Community

*OW0205104291 Taipei CNA in English 0824 GMT
2 May 91*

[Text] Taipei, May 2 (CNA)—The Republic of China [ROC] on Taiwan has emerged as the European Community's second largest trading partner among developing countries, after Saudi Arabia, the China External Trade Development Council (CETRA) reported today.

CETRA said EC trade with 150 developing countries around the world, with 20 percent of its exports and 30 percent of imports conducted with such newly industrializing Asian economies as the ROC, Singapore, Hong Kong, South Korea, Thailand and Malaysia.

As EC will become a unified market in 1992 and intra-EC trade is expected to increase substantially, CETRA said, Taiwan exporters will find it more difficult to edge into that market.

CETRA officials said that although many Taiwan companies have set up marketing footholds in the EC in the past few years, the number and amount of Taiwan investments still far lower than those committed by other Southeast Asian countries.

The officials suggested local firms establish production bases or distribution centers in EC as soon as possible in order to maintain their market niches.

President, Prime Minister Speak on Labor Day

*OW0205104391 Taipei CNA in English 0909 GMT
2 May 91*

[Text] Taipei, May 2 (CNA)—President Li Teng-hui said yesterday that the government will continue its efforts to improve workers' welfare and to reduce labor-management disputes.

In a Labor Day congratulatory message to the nation's workers, said the government hopes to help nurture a "harmonious and constructive" labor-management culture in the 1990s.

The president called on his "worker friends" to contribute what they can to the Six-Year National Development Plan whose completion is expected to propel the Republic of China into the ranks of advanced countries.

In the afternoon, he hosted a Presidential Office tea party in honor of 181 model workers.

Premier Hao Po-tsun also encouraged workers to display their can-do spirit in their jobs, and to work together with management "from a global point of view" to win the country higher status in the international community.

His cabinet released statistics showing that workers have shared in the fruits of economic growth during the past decade as the nation's gross national product rose 1.92 fold from 1,489 billion N.T. [new Taiwan] dlr in 1980 to 4,349 billion N.T. dlr in 1990.

During the period, average working hours declined 18 hours per month and wages increased 1.75 times. Even with a 35 percent increase in consumer prices, real income has doubled, the directorate general of budget, accounting and statistics (DGBAS) reported.

In 1980, non-farming laborers in Taiwan worked 214 hours a month to earn an average of 8,864 N.T. dlr; the figures for 1990 were 179.2 hours and 24,340 N.T. dlr, DGBAS noted.

Visa Restrictions for Iranians Eased

OW0105103991 Taipei CNA in English 0817 GMT
1 May 91

[Text] Taipei, May 1 (CNA)—Iran has been dropped out from the list of countries unfriendly to the Republic of China [ROC] and visa restrictions on Iranians are being eased from Wednesday, the Foreign Ministry announced.

The move will help promote bilateral relations between the two countries, the ministry observed.

Trade between the two countries has been limited in recent years due to complicated visa application procedures.

The ministry hopes Iran will make a reciprocal respond to the ROC's new measure.

Hong Kong

Zhou Nan 'Optimistic' on Airport Project

OW0105141291 Beijing XINHUA in English
1404 GMT 1 May 91

[Text] Hong Kong, May 1 (XINHUA)—Zhou Nan, director of the XINHUA NEWS AGENCY Hong Kong branch, said here today that he has always taken an optimistic attitude toward the construction of a new airport in Hong Kong.

Zhou made the remarks when answering journalists' questions at a reception in celebration of the International Labor Day held by the Hong Kong Federation of Trade Unions.

He said: "We have no reason to doubt that we can overcome the present small difficulty. After all, we had overcome much greater difficulties and surmounted much bigger obstacles during the Sino-British negotiations."

"As I know", Zhou said, "the Chinese side takes an open attitude towards the resumption of the Sino-British talks on the airport project. We are ready to resume the talks at any time. The issue is now under negotiation through diplomatic channels."

Zhou believed that so long as the two sides have greater sincerity, give more considerations to Hong Kong people's interests and take a responsible attitude on the future of Hong Kong, it will not be difficult to settle the issue.

Commentary on Possible Scrapping of Airport Plan

HK2704044891 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 1336 GMT 25 Apr 91

[Commentary by Tian Ye (3944 6851)]

[Text] Despite the fact that Chinese Government officials have once again stated that China supports Hong Kong in building a new airport and that they believe that an agreement will be reached at Sino-British talks on the new airport; recently a sudden, cold wind has started blowing, shrouding the stock market, the barometer of the political and economic situations.

In fact, on the new airport plan, the Hong Kong Government appears to have been rather reckless from the very beginning; for instance, the question of the airport site. It is learned that of the various proposed sites, the Chek Lap Kok Island one was once considered unworthy of study. No one knows when it suddenly became the first choice. Why has the Hong Kong Government never explained such a great change? Now, when Sino-British negotiations are encountering difficulties, someone brought from London a message saying that it [Britain] will not hesitate to "scrap" the new airport plan. How can such a big plan, which entails over 100 billion [Hong Kong] dollars, be treated like child's play? What immediately followed were such remarks as "thoroughly

appraise the situation in case the new airport talks break down." It is as though the cold wind is being followed by another and yet another.

China hopes that it will be possible to build an airport that entails the "least investment while bringing the best returns." It has requested the British Hong Kong Government save some money for Hong Kong people and avoid, when the new airport project commences, considerably increasing taxes, cutting other social welfare expenditures, financing the huge construction costs by huge borrowing, using up the reserves, forcing Hong Kong residents to lead thrifty lives for a long time, and affecting Hong Kong's smooth transition in 1997 and its prosperity and stability. Moreover, since the future special administrative region [SAR] has to shoulder debts left over by the British Hong Kong Government and to pay civil servants' long-term service and retirement funds, etc., China has asked the British Hong Kong authorities to set aside a definite amount of reserves. And since the Airport Administration Bureau has such rights as approving contracts straddling 1997 and authorizing business operations, China has requested to have its representative in the Bureau to maintain continuity. As the suzerain of the Hong Kong SAR after 1997, China's requests are reasonable. How can they be considered "harsh conditions"?

I remember when the British Hong Kong Government forwarded the new airport plan, it stated that if the airport was not completed before 1997, Hong Kong would lose over 100 billion dollars in the 21st century. If this estimate is true, does that mean that advocates of the "scrapping" have put Hong Kong's interests behind their backs.

As Hong Kong is now in the latter part of the transition period, numerous affairs, whose responsibilities the SAR government will have to shoulder after 1997, must be resolved by the Chinese and British Governments through closer cooperation, negotiation, and deliberation [shen yi 1399 6231]. As for negotiation and deliberation, China and Britain have had many examples of success in cooperation. For example, through negotiation, the Sino-British Land Committee has solved many difficult questions regarding land approval, thus enabling the Hong Kong Government to better carry out its effective administration and rule. It stands to reason that these experiences of success in cooperation can also be applied to negotiation over the new airport plan. A responsible government should consider everything carefully. Should it not be scrupulous on decisions that have a bearing on Hong Kong's future prosperity and stability?

At this "sensitive" moment, would a wise man recklessly make remarks unfavorable to Hong Kong's stability and prosperity and to Sino-British cooperation and negotiations?

PRC Demands Financial Control Before 1997

HK2804011891 Hong Kong SOUTH CHINA
SUNDAY MORNING POST in English 28 Apr 91 p 1

[By Brian Power]

[Text] China is demanding control of Hong Kong's finances long before 1997 as the price of backing the Chek Lap Kok airport.

Those demands—strongly resisted by Hong Kong—became the sticking point that led to the breakdown in recent negotiations in Beijing aimed at securing Chinese backing for the airport, according to officials close to the negotiations.

The Chief Secretary, Sir David Ford, has so far declined to outline where the airport negotiations have stalled and the positions of both sides, preferring to release a completed agreement.

But those near the talks said China told British negotiators it wanted:

- The right to "scrutinise" all major Hong Kong issues spanning 1997 under the Sino-British Joint Declaration.
- The early 1997 deadline for the inauguration of the first of the airport's twin runways relaxed.
- The right to examine all Hong Kong Government borrowing.
- That Hong Kong limit use of its reserves to construction of the airport proper, currently estimated at \$38 billion. Related transport links and reclamations, estimated \$65 billion, would have to come out of an annual public spending.

That public spending in Hong Kong should not grow faster than the annual growth rate and that the surplus from recurrent accounts should total half of the non-recurrent accounts.

In turn, sources said the Chinese had offered to ease some of pressure on Kai Tak airport by having all flights from China land at the new Shenzhen airport, scheduled to begin service in 1992. About 15 percent come from China.

There was no direct contact between the British and Chinese yesterday, said diplomatic sources.

But the Chinese are said to be using this time to consider a British request made in recent days that it put in writing exactly how it wants to scrutinise major issues spanning 1997.

British negotiators are said to have set down their own proposals, which include:

- Having the Chinese endorse plans for the Chek Lap Kok airport and assist when needed.

—Offering to set aside \$14 billion from the fiscal reserves. If that sum is not increased to \$25 billion by 1997, which the Government expects, the balance will have to be covered.

—Having Hong Kong borrow no more than \$10 billion without consulting China. Hong Kong will guarantee the debts will not become a burden to China, and negotiators are confident they can be cleared before 1997.

—Allowing only Hong Kong to appoint representatives to the Airport Authority, although China can make nominations. They should be Hong Kong people rather than mainlanders. Hong Kong also will not guarantee a Beijing-backed appointee could become the authority's vice-chairman.

The talks between China and Britain broke off in Beijing on April 13 over China's right to examine issues extending beyond 1997, said well-placed sources.

They said the sticking point that finally led to the suspension was reached over Government borrowing.

The Chinese insisted all Government borrowing be vetted by China.

Sources said the British replied that by putting a \$10 billion ceiling on borrowing, and guaranteeing to retain \$14 billion in reserves, Hong Kong had effectively given the Chinese some rights over fiscal issues in the territory before 1997.

The Chinese want to be able to control spending as part of their larger push to "scrutinise" major issues, which is noted in Annex II of the Sino-British Joint Declaration.

The Chinese interpretation of the pact says it should be able to examine matters that hinge on a smooth transition to Chinese control. The English version says both sides should give "consideration" to those matters.

The stalemate has been followed by discussions in Beijing by construction tycoon Mr Gordon Wu Ying-sheung over his own proposals for an airport financed by the private sector should the Government plan not get Beijing support.

There had been reports Mr Wu would present his proposals to the Chief Secretary yesterday. The Government has already rejected Mr Wu's concepts.

Senior Government officials refused to say if a meeting even took place, and neither Mr Wu nor his associates could be contacted for comment yesterday.

But a senior Government official warned yesterday the administration saw no reason to change its view on Mr Wu's proposals.

Editorials Outline Topics at Airport Talks

Cooperation Stressed

HK2904104691 Hong Kong WEN WEI PO in Chinese
29 Apr 91 p 2

[Editorial: "Frank, Sincere Cooperation Between China and Britain Is Advantageous to Hong Kong Government"]

[Text] China and Britain should conduct frank and sincere cooperation on the basis of friendly negotiations on important issues that stretch beyond 1997. Will frank and sincere Sino-British cooperation be advantageous or disadvantageous to the Hong Kong Government during the transition period? It will not be too difficult to answer this question with sober thinking and objective analysis.

Having entered the transition period, no one can evade the following issue: The British Government's current administration of Hong Kong is somewhat different from that of the time before the transition period. According to a stipulation in the Sino-British Joint Declaration on the Question of Hong Kong, the British Government's administration of Hong Kong terminates on 30 June 1997. This being the case, all issues stretching beyond 1997, involving the responsibilities and obligations of the future Hong Kong Special Administrative Region [SAR] Government should come under negotiations between China and Britain before relevant decisions are made; only then will the British Hong Kong Government's administration of relevant affairs be effective. Regarding this point, Article Four of the Joint Declaration has clearly defined: During the transition period between the date of this Joint Declaration's entry into force and 30 June 1997, "the Government of the United Kingdom will be responsible for the administration of Hong Kong with the objective of maintaining and preserving its economic prosperity and social stability; and that the Government of the PRC will give its cooperation in this connection." In Article Five of Annex Two, it is stressed that in the latter part of the transition period, "there will be a need for closer cooperation, which, therefore, will be intensified during that period."

During the transitional period, sound Sino-British cooperation is an indispensable condition for the British Government to maintain "effective administration" of Hong Kong. A definite conclusion can be obtained from the Joint Declaration; moreover, concrete understanding can be acquired from some examples of successful Sino-British cooperation since Hong Kong entered the transition period.

Civil servants' confidence during the transition period has a direct bearing on the British Hong Kong Government's administration. Although the Joint Declaration has made principled stipulations on relevant issues concerning civil servants, they remain anxious about their pension. To maintain the stability and efficiency of Hong Kong civil servants, China and Britain have conducted ample discussions within the Joint Liaison Group on this issue involving the future SAR government's finances, and arrived at unanimity on the new

project for the civil servants' pension, which met the civil servants' approval. Just imagine, if China and Britain had failed to cooperate on this issue and relieve civil servants from their fear of disturbance, would it have been advantageous or disadvantageous to the British Hong Kong Government?

We may say that the Land Committee is a successful pattern of Sino-British cooperation in deliberating important affairs that involve a smooth transition to and stretching beyond 1997. China and Britain have conducted frank and sincere negotiations on many issues concerning the approval of land use terms stretching beyond 1997. This has resolved many issues concerning land use terms stretching beyond 1997, moreover, it has effectively supported the British Hong Kong Government. Just imagine, if China and Britain had failed to conduct friendly cooperation in this aspect, with the land use terms and renewal of land use contracts failing to stretch beyond 1997, could the British Hong Kong Government have efficiently conducted its land administration?

When the Chinese Government proposed that China and Britain find solutions to major issues stretching beyond 1997 through negotiations, its starting point was that the success of the one country, two systems concept would guarantee Hong Kong's stability and prosperity well beyond 1997. To accomplish this, the Chinese Government has sought, in all sincerity, cooperation with the British Government, and on several occasions reaffirmed that it will not interfere with the British Hong Kong Government's day-to-day administration of Hong Kong. Facts have proven that China's practice is advantageous to the British Hong Kong Government's administration of Hong Kong.

The building of a new airport involves a gargantuan sum of money, stretching beyond 1997. So long as China and Britain take the interests of the whole situation into account and conduct frank and sincere negotiations, the new airport issue will not become a hurdle to sound Sino-British cooperation, but an opportunity for its further development. The building of a new airport has great impact on Hong Kong's economic development; the promotion of which is beyond a doubt an important aspect to embody the efficient administration of the British Hong Kong Government. If sound Sino-British cooperation is not on the horizon, while the new airport is being built, will it be possible for the British Hong Kong Government to embody its effective administration? At one time, the Hong Kong Government said that it had sufficient financial resources of its own to invest in building the new airport, adding that if the plan went bankrupt, Hong Kong would suffer a loss of HK \$100 billion. Another time it said that it "would rather shelve the new airport project." Would not resorting to such unpredictable changes in policy spoil its reputation? What good can it do to establishing effective administration? In fact, the Chinese side has all along been cooperative on the airport issue. So long as the British side adopts a negotiable attitude, the airport will be built earlier, while the British Hong Kong Government can

realize its effective administration before 1997 and accomplish much on important affairs stretching beyond 1997.

Basic Law Linkage

HK3004121891 Hong Kong WEN WEI PO in Chinese
27 Apr 91 p 2

[Editorial: "The Airport Issue and the Basic Law Must Converge"]

[Text] Yesterday, we mentioned the four topics discussed at the Sino-British talks on the building of a new airport in Hong Kong. Because of limited space, we only focused on the two major topics of China's participation and the financial arrangement. Today we will analyze the other two topics.

First, the question of the new Airport Consultative Committee and Airport Management Bureau. The Chinese side's attitude can be summed up in a word, "consultation." Consultation contains the meaning that the candidates for the new Airport Consultative Committee and Airport Management Bureau should be determined after Sino-British consultations. Will it be better to hold consultations or to simply let the British Hong Kong Government determine by itself without Chinese involvement in the matter? It will not be difficult to answer this question so long as it is linked to the particularity of the new airport issue. If the establishment of the new Airport Consultative Committee and Airport Management Bureau involves only the British Hong Kong Government's routine administrative affairs, of course it will be unnecessary to consult the Chinese side. The Chinese side would not have raised the question of consultation and actually it has not done so. However, we are facing a new Airport Consultative Committee and Airport Management Bureau. China has to concern itself with the matter as the new airport is a major issue involving the smooth transition of government which goes beyond 1997. For this reason, the consultation requested by the Chinese is quite natural. It is necessary to take concrete measures for concrete matters. It would be unrealistic to clamor "interference" and "condominium" by deviating from the issue's particularity.

Consultation refers not only to the candidates for the new Airport Consultative Committee and Airport Management Bureau. With regard to the Airport Management Bureau's operation, it is more important for both China and Britain to consult on the problems which go beyond 1997 and concern the future special administrative regional [SAR] government's responsibility and obligations, and then submit them to the Management Bureau for discussion. In this way, besides perfecting the Management Bureau's policy decisions, the convergence problem can be properly resolved. There are six years left before the transfer of government and a year or so has elapsed since the Basic Law's promulgation. Following the Basic Law's promulgation, it is necessary to take note of converging all work of the second stage of Hong

Kong's transition period with the Basic Law. The convergence problem will be more pressing as 1997 approaches. Hence, it is imperative to find a solution to the major issue of a new airport. However, convergence requires the cooperation of both parties rather than one side going its own way. The objective of convergence can be realized only through Sino-British consultations. When the convergence problem is resolved, the future Airport Management Bureau, which goes beyond 1997, will be able to give full play to its role within the scope of the Basic Law.

Second, how should the Chinese Government continue to undertake the obligations and guarantee made by the British Hong Kong Government before 1997? Convergence with the Basic Law is all the more necessary to resolve this problem. Provision two of the Basic Law's Article 160 stipulates: "Documents, certificates, contracts, and rights and obligations valid under laws previously in force in Hong Kong shall continue to be valid and be recognized and protected by the Hong Kong SAR, provided that they do not contravene this Law." Once the new airport is built, the British Hong Kong Government will have to make obligations and guarantee straddling 1997. Will it then be conditional or unconditional for the future SAR government to continue to undertake these obligations and guarantee made by the British Hong Kong Government? According to the Basic Law, it is of course conditional. The prerequisite is that the obligations and guarantee made by the British Hong Kong Government should conform to the Basic Law. The future SAR government should act according to the Basic Law in undertaking the obligations and guarantee made by the British Hong Kong Government so as not to contravene the Basic Law. The Chinese side cannot ask the future SAR government to continue to undertake the so-called rights, obligations, and responsibilities made by the British Hong Kong Government before 1997 which contravene the Basic Law.

Now let us return to the topic of China's participation and financial arrangement discussed yesterday. The Chinese side is worried that the British Hong Kong Government's new airport plan will exhaust Hong Kong's financial reserves and bring a heavy burden on the future SAR government and Hong Kong residents. For this reason, the Chinese side has insisted that the British Hong Kong Government build an efficient airport, using as little investment as possible, and benefit the Hong Kong people rather than leave a burden. In addition, a fixed sum of financial reserves should be left for the future SAR government. Convergence with the Basic Law is the purpose of this move. Basic Law Article 107 stipulates: "The Hong Kong SAR shall follow the principle of keeping expenditures within the limits of revenues in drawing up its budget, and strive to achieve a fiscal balance, avoid deficits, and keep the budget commensurate with the growth rate of its gross domestic product." If the British Hong Kong Government pays no heed to China's advice, rejects China's participation and examination, clings obstinately to its course, exhausts the

reserves, and imposes a heavy economic burden on the SAR government, which is not yet established, these cannot be regarded as respect for the Basic Law. This will only result in contravention of the Basic Law. Then, who will undertake the obligations and guarantee made by the British Hong Kong Government?

As a matter of fact, it is not difficult to understand the reason for settling the airport issue in accordance with the Joint Declaration, a topic we discussed yesterday, and convergence of the airport issue with the Basic Law, a topic we have discussed today. Irrespective of this reason, some people have fervently clamored about "interference," "condominium," "control," and "veto power." They deliberately set China's examination of the major issues involving the smooth transition and stretching beyond 1997 against the British Hong Kong Government's routine administration prior to 1997, rejecting China's involvement in the new airport issue. Moreover, they have intentionally set the new airport issue against administration, saying that they "prefer administration to a new airport" and "prefer falling to pieces like broken jade to remaining intact as a worthless tile." Their purpose is to compel the Chinese side to act according to the plan laid down by the British Hong Kong Government and undertake the responsibility of the consequences arising therefrom. Can there be such a truth under heaven?

The Chinese attitude on the new airport issue is reasonable and open and aboveboard. We hope that those who have endlessly criticized the Chinese side will seriously read the Joint Declaration and the Basic Law. It will not be difficult to seek a solution to the new airport issue so long as we act according to the Joint Declaration, persist in converging with the Basic Law, and carry out friendly Sino-British consultations.

Poll Reflects Concerns Over Airport, Future

HK2904011291 Hong Kong SOUTH CHINA MORNING POST in English 29 Apr 91 p 1

[By Andy Ho]

[Text] Almost four in five voters want Britain to make concessions to Beijing to resolve the current diplomatic impasse over Hong Kong's ambitious new airport plan, according to the findings of an exclusive opinion poll conducted for the SOUTH CHINA MORNING POST.

This preference for a conciliatory line is in sharp contrast to the Executive Council's [Exco] position that Hong Kong should not make any new offer to bargain for Chinese support.

The 648 registered electors polled, however, were divided on whether the territory should press ahead with the Chek Lap Kok project without China's blessing.

The telephone poll, carried out last week, also showed that less than half of the respondents were optimistic that Hong Kong would have a replacement airport operating by 1997 as planned.

Sino-British talks on the issue broke down in Beijing on April 13 and both sides have yet to agree on when to re-open negotiations.

But the stalemate does not appear to have tarnished the image of the Governor, Sir David Wilson, as 56 percent of those polled were satisfied with his performance.

Mr Lu Ping, who heads the State Council's Hong Kong and Macao Affairs Office, only commanded a 29 percent satisfaction rating.

The poll, however, also points to a marked decline in the popularity of the Government.

Previous statistics show that the number of voters dissatisfied with the administration has surged over six times to 50 percent over the past 18 months.

The survey was conducted by Asian Commercial Research (ACR) from Monday to Wednesday, last week, when local officials and councillors floated a worst-case scenario in which the airport plan would be shelved to preserve Hong Kong's autonomy.

China has taken advantage of Hong Kong's request for support for the project to demand a greater say in 1997-related matters.

After the talks were suspended, Exco ordered a study into how existing Kai Tak facilities could be expanded as a fall-back. The Hong Kong authorities are convinced that they cannot attract adequate private investments to finance the new airport scheme without China's consent.

For the latest poll, a representative sample of Cantonese-speaking voters were asked: "Do you think the British Government should make further concessions to China to get an agreement in the next few weeks?"

A total of 77 percent said yes, while only 12 percent said no. The rest had no opinion on the matter.

The group were also asked whether the Government should press ahead with the plan if no Sino-British agreement was reached within three months.

Forty-four percent felt Hong Kong should go ahead but 41 percent found such a unilateral move undesirable. The rest did not give a view.

Despite British Foreign Secretary Mr Douglas Hurd's recent fruitless trip to China and the subsequent deadlock, only 34 percent thought Hong Kong would not have a new airport by 1997.

Forty-nine percent remained optimistic, while the rest did not give an opinion.

Meanwhile, over two-thirds of the respondents said their confidence in Hong Kong's future prosperity had increased because of the airport discussions with China.

Two in five had become less confident and 24 percent held no opinion.

"Presumably because so many see China acting in the interest of Hong Kong people, many feel their confidence in Hong Kong's future increasing because of the delay to the Government's ambitious airport scheme and the possibility that a cheaper alternative may be found," said ACR director Mr David Bottomley, who directed the poll.

Those in the New Territories, he said, were more inclined to feel increased confidence, probably because a deal could lead to a cheaper alternative and possibly an airport more convenient to residents in the new towns.

"Those in Kowloon are more likely to be despondent about the future because of these delays, presumably because cheaper alternatives might mean they will have to live longer under the main Kai Tak air path," he said.

The public seemed to be convinced that financial considerations had been the main stumbling block for the Sino-British talks.

"They do not perceive China to be intransigent but acting on behalf of the people of Hong Kong and in their interest," Mr Bottomley said.

Most of the 441 respondents who gave reasons to why the talks had been suspended, believed it was caused by money factors rather than politics or face.

Twenty-seven percent said China was worried that the cost of the project could deplete Hong Kong's reserves.

Others suggested Britain and China had different aims (13 percent); the two sides had differed on who should be awarded the future tenders (nine percent); and China knew many Hong Kong people were worried about the cost (seven percent).

Only one percent thought neither side gave way because they did not want to lose face.

CSFR Official on Immigration, Investment

HK2904041391 Hong Kong HONGKONG STANDARD
in English 29 Apr 91 p 3

[Text] The Czechoslovakian government is working on details of an immigration scheme for Hong Kong residents.

The Czech deputy foreign minister, Martin Palaus, said in Hong Kong last night: "We would like to discuss the possibility of investment from people in Hong Kong, and of course we would like to talk about possible immigration of people from Hong Kong."

Mr Palaus, the first senior Eastern European diplomat to visit the territory in 40 years, said his government was in

the process of working on plans by which Hong Kong people could migrate to Czechoslovakia.

He said his government wanted to set up a consular office in Hong Kong to strengthen bilateral trade.

"We are trying to establish some kind of official contact between Hong Kong and Czechoslovakia," said Mr Palaus who is on a three-day visit to the territory before going to China.

Although Czechoslovakia had gone through some difficulties recently, Mr Palaus said he was confident the economy would quickly recover and improve.

Macao

Death Penalty Allegation Termed 'Groundless'

OW2704025091 Beijing XINHUA in English
0225 GMT 27 Apr 91

[Text] Beijing, April 27 (XINHUA)—The allegation by a Portuguese national newspaper that the Drafting Committee of the Macao Special Administrative Region (MSAR) "approved by a majority the future enforcement of death penalty in Macao" is entirely groundless, a Chinese Foreign Ministry spokesman said here today.

The spokesman made the remark in response to a correspondent's request for comment on the recent report by the "NEWS DAILY" in Portugal.

"Inquiring to the Secretariat of the Basic Law Drafting Committee of the Macao Special Administrative Region shows that in the sixth plenary meeting of the drafting committee, concluded on April 20, most committee members held the view that it was not necessary indeed to set forth explicit provisions in the basic law on the question as to whether death penalty should be enforced in the Macao Special Administrative Region and that the issue may be left to the future legislative body of MSAR which would then make relevant stipulations in light of actual conditions. The drafting committee will continue its discussions on the issue," he said.

The allegation by the Portuguese national newspaper that the drafting committee "approved by a majority the future enforcement of death penalty in Macao" is entirely groundless and it was even more inappropriate for the paper to make a comment on it, the spokesman said.

Governor, Portuguese President Stress PRC Ties

OW2404212091 Beijing XINHUA Domestic Service
in Chinese 0140 GMT 24 Apr 91

[Text] Lisbon, 23 Apr (XINHUA)—General Rocha Vieira was sworn in as the new Macao governor at the Portuguese Presidential Palace today.

Speaking at the inaugural ceremony for the new Macao governor, Portuguese President Mario Soares said: Success of the transitional period before 20 December 1999 depends mainly on the administration in the next few years. He added that during this period, both Portugal

and the PRC have the political aspirations to gradually realize the future political and administrative blueprint of Macao, which is aimed at preserving Macao's unique socio-economic mode.

General Rocha Vieira expressed a profound belief that the friendly and cooperative relations between Macao, the PRC, and Portugal will be strengthened.

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